

THE WALL STREET JOURNAL.

DOW JONES | News Corp ***** THURSDAY, MARCH 30, 2023 ~ VOL. CCLXXXI NO. 73 WSJ.com ★★★★★ \$5.00
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What's News

Business & Finance

UBS said Sergio Ermotti will return as chief executive to tackle the integration of Credit Suisse, less than two weeks after regulators engineered a shotgun marriage of the Swiss banking giants. **A1, A4**

◆ **The White House is planning** to recommend tougher rules for midsize banks following the collapse of two lenders, according to people familiar with the matter. **A4**

◆ **U.S. stocks rose**, aided by easing global banking concerns, with the S&P 500, Nasdaq and Dow gaining 1.4%, 1.8% and 1%, respectively. **B11**

◆ **UnitedHealth Group's** UnitedHealthcare said it would remove many medical procedures and devices from its list of services requiring prior authorization. **A1**

◆ **Macy's Inc. said** CEO Jeff Gennette will step aside in February and be succeeded by Tony Spring, who runs the retailer's Bloomingdale's chain. **B1**

◆ **Several tech executives** and top artificial-intelligence researchers are calling for a pause in the breakneck development of powerful new AI tools. **B1**

◆ **Howard Schultz**, testifying at a Senate hearing, defended Starbucks against accusations that it retaliated against pro-union workers who say they are seeking better pay and benefits. **B1**

◆ **Disney laid off** Isaac "Ike" Perlmutter, chairman of Marvel Entertainment, and plans to fold the comic-book publishing business into Disney Entertainment. **B2**

World-Wide

◆ **Big U.S. cities lost** fewer residents last year as more immigrants moved in, fewer people died and more babies were born there, according to new census data that shows how the urban exodus that gained steam early in the pandemic is cooling. **A1**

◆ **Netanyahu's plan** to overhaul Israel's justice system has stirred tensions with the U.S., with Biden and congressional Democrats criticizing the proposal and Israeli lawmakers firing back. **A8**

◆ **Mexican prosecutors** are investigating as homicides the deaths of at least 39 migrants in a fire at a detention center in Ciudad Juárez, authorities said. **A18**

◆ **Over two decades** after Congress voted to green-light the invasion of Iraq, the Senate voted 66-30 to revoke the law that authorized military operations for that war. **A2**

◆ **The FDA approved** the over-the-counter sale of Narcan, a medication that reverses opioid overdoses. **A2**

◆ **Taiwan's president** arrived in the U.S. amid threats from Beijing that American politicians who engage with her could spur unspecified retaliation. **A8**

◆ **Ukraine's Zelensky** is urging Chinese leader Xi to meet with him as Beijing maneuvers itself as a potential peacemaker. **A8**

◆ **The Republican budget** proposal could take months to coalesce, the chairman of the House Budget Committee said, a delay that would complicate debt-ceiling talks. **A6**

CONTENTS Markets..... B11
Arts in Review... A13 Opinion..... A15-17
Banking & Finance B10 Personal Journal A11-12
Business News... B3 Sports..... A14
Crossword..... A14 Technology..... B4
Equities..... B8 U.S. News..... A2-7
Heard on Street. B12 World News. A8-9,18



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King Charles Greets Germans With 'Cheers'



OVER THE LIPS: Britain's King Charles III sips champagne on his first official foreign trip as monarch. It is part of a charm offensive to mend fences in Europe after Brexit. **A18**

Ex-CEO Gets Encore at UBS After Merger

Ermotti to oversee integration of Credit Suisse after regulators pushed for rescue deal

By MARGOT PATRICK AND SERENA NG

UBS Group AG said Sergio Ermotti will return as chief executive officer to tackle the integration of Credit Suisse Group AG, less than two weeks after regulators engineered a shotgun marriage of the Swiss banking giants.

Mr. Ermotti led UBS for nine years until 2020 and is credited with restoring the bank to health after a government bailout in 2008. He will succeed current CEO Ralph Hamers, who has run the bank for the past three years, on April 5. "We felt we had a better

horse" in Mr. Ermotti, UBS Chairman Colm Kelleher said, explaining the bank's decision to replace Mr. Hamers.

With the return of Mr. Ermotti, UBS will have two experienced fix-it bankers at the helm. Mr. Kelleher spent three decades at Morgan Stanley and guided it through the global financial crisis as its chief financial officer. He later helped reorient Morgan Stanley's business away from riskier investment banking to more stable wealth management. He retired in 2019 as its No. 2 and joined UBS last year.

Mr. Ermotti will reprise a *Please turn to page A4*

- ◆ **Greg Ip: Threat of a slow-boil bank crisis endures**..... A2
- ◆ **Tough task awaits Ermotti at UBS**..... A4
- ◆ **Heard on the Street: Bank's move signals worries**..... B12

Metaverse Faces Real World Woes

By MEGHAN BOBROWSKY

The metaverse, the virtual world that was the hot thing in tech less than two years ago, is facing a harsher reality.

Walt Disney Co. has shut down the division that was developing its metaverse strategies, The Wall Street Journal reported this week. Microsoft Corp. recently shut down a social virtual-reality platform it acquired in 2017. And Mark Zuckerberg, who renamed Facebook as Meta Platforms Inc. to signal his seriousness about the metaverse, focused

more on artificial intelligence on an earnings call last month.

Meanwhile, the price for virtual real estate in some online worlds, where users can hang out as avatars, has cratered. The median sale price for land in Decentraland has declined almost 90% from a year ago, according to WeMeta, a site that tracks land sales in the metaverse.

Meta's name change in October 2021 spurred excitement about metaverse experiences, products and platforms. But slow user adoption, driven in *Please turn to page A8*

Patients Get Break On Test Approvals

By ANNA WILDE MATHEWS AND STEPHANIE ARMOUR

The paperwork required by health insurers to get many medical procedures or tests—one of the biggest gripes of doctors and patients—is getting rolled back.

UnitedHealth Group Inc.'s UnitedHealthcare, the largest health insurer in the U.S., said Wednesday that it would cut its use of the prior authorization process. Starting in the third quarter, it will remove many procedures and medical devices from its list of services requiring the signoff.

The insurer also said it would eliminate, starting next year, many prior-authorization requirements for so-called gold-card doctors and hospitals whose requests it nearly always approves. And it aims to automate and speed up prior authorization, though that will likely take a few years.

UnitedHealthcare processes about 13 million prior-authorization requests a year, out of a volume of about 600 million claims, company officials said. They said the company's changes are projected to reduce the number of prior authorizations to about 10 million annually.

"We're not deaf to the complaints out there," said Philip Kaufman, chief growth officer at UnitedHealthcare. "We've taken a hard look at ourselves and this process."

The steps are a sign that the health-insurance industry is rethinking prior authorization, which has long been a source of frustration among doctors and patients who have said it creates administrative headaches and sometimes de- *Please turn to page A7*

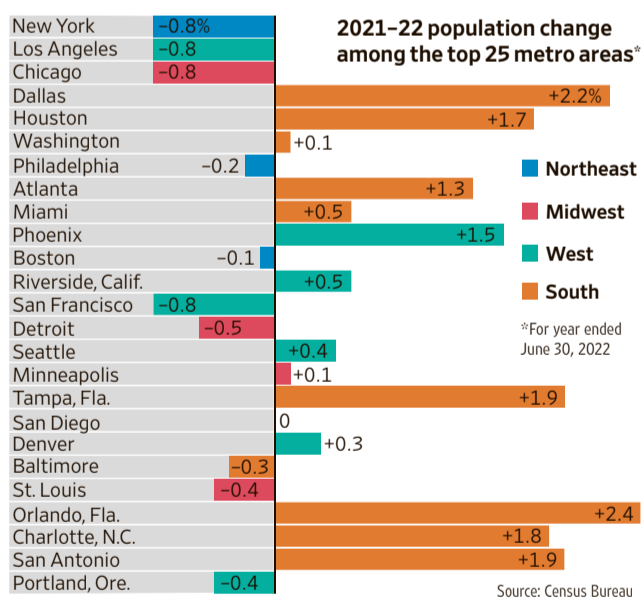
U.S.'s Big-City Exodus Slows Down

Big cities lost fewer residents last year as more immigrants moved in, fewer people died and more babies were born there, according to new census data that shows how the urban exodus that gained steam early in the pandemic is cooling.

By Paul Overberg, John McCormick and Max Rust

The suburbs of big cities and small- and medium-size metropolitan areas continued to claim most of the nation's growth, according to a Wall Street Journal analysis of population estimates for the year that ended June 30. Rural areas and small towns collectively remained nearly flat.

The core counties of large metro areas had an estimated net loss of more than 800,000 movers to the rest of the country, but that was an im-



provement from a 1.2 million drop in the previous year, the Journal analysis shows.

After a sharp falloff in im-

migration at the peak of the pandemic, the latest data shows a revival that has helped bolster large urban counties,

with about 500,000 net arrivals from abroad last year.

An uptick in births and fewer deaths also helped offset moves out of urban counties, leaving collective population growth nearly flat for the year.

The pandemic spurred a burst of mobility—some temporary and some potentially permanent—that accelerated pre-existing trends on where and how people in the U.S. live. Suburban areas have emerged as the clearest winners, often gaining at the expense of the core city they encircle.

The changes that are taking hold have prompted cities to consider converting office buildings to housing and to rethink mass transit service that has lost many commuters between suburbs and downtowns. Bank regulators and investors are rethinking commercial real-estate invest- *Please turn to page A6*

It's Northwestern vs. Neighbors Over New \$800 Million Stadium

'You'll have people spilling out of concerts drunk at 10:30, 11 o'clock'

By DOUGLAS BELKIN

EVANSTON, Ill.—The most dramatic action in this suburb of Chicago has always played out in Northwestern University's pancake-yellow stadium on football Saturdays. This spring, though, the hardest hits are coming from some of its neighbors.

Residents in the tree-lined neighborhood are exercised about a plan to replace the 47,000-seat Ryan Field stadium, which opened in 1926.

For decades, the concrete colossus has hosted six or seven football games a year and little else. *Who's game? Please turn to page A10*

No alcohol is served inside the stadium. But if Northwestern has its way, the field's replacement will accommodate those home games as well as women's lacrosse matches, 10 stadium concerts and an unlimited number of events of up to 10,000 people on the plaza around the stadium. Alcohol will be on the menu.

"You'll have people spilling out of concerts drunk at 10:30, 11 o'clock, walking around your neighborhood. There will be crimes of opportunity," said John Sorensen, who lives across the stadium. *Please turn to page A10*

GameStop's Revival Plan Keeps Shrinking

Videogame retailer hits the brakes on e-commerce push to refocus on its stores

By SARAH E. NEEDLEMAN AND DANA MATTIOLI

Ryan Cohen took control of GameStop Corp. in 2021 vowing to transform the faltering videogame retailer into an e-commerce juggernaut.

Meme-stock investors loved the idea. Ordinary consumers, it turns out, did not. E-commerce sales didn't take off—they declined. Losses grew, and a succession of online-sales executives Mr. Cohen brought in left.

Last year, to little fanfare, the billionaire investor re-

versed course and slammed the brakes on the e-commerce push to refocus GameStop on its roughly 4,400 bricks-and-mortar stores. In other words, the original meme stock reverted to a business model with the mall at its center.

The company began slashing costs. It scrapped plans to build more warehouses to handle online orders, shut a new e-commerce customer-service center and cut several hundred corporate jobs created under Mr. Cohen.

On March 21, the cost-cutting allowed GameStop to re- *Please turn to page A10*

U.S. NEWS

CAPITAL ACCOUNT | By Greg Ip

Threat of a Slow-Boil Bank Crisis Endures



In recent decades, financial crises have tended to be fast-moving and violent. They usually revolve around a handful of companies or countries, and often climax over a weekend, before Asian markets open.

That template is grounds for hope that the worst of the turmoil may have passed with the collapse of Silicon Valley Bank and Signature Bank and the forced merger of Credit Suisse with UBS Group AG, as well as the federal backstops in response.

But another template is also possible: the corrosive, slow-motion crisis. SVB collapsed because of structural factors that to a lesser extent afflict many institutions. That could force many banks in coming years to shrink or be acquired, a process that also hampers the supply of credit.

In decades past, banking crises around the world routinely took years to unfold. From 1980 to 1994, roughly 3,000 mostly small U.S. savings and loans and banks were closed or bailed out. After the Federal Reserve pushed interest rates up sharply, S&Ls and banks were squeezed between low-yielding loans and rising rates on deposits and

money-market funds.

The current episode began similarly. From 2008 through 2021, the Fed kept interest rates near zero. Banks boosted holdings of government and federally backed mortgage bonds in search of yield. When rates began to rise sharply in 2022, those bonds' market values plummeted. While losses were especially acute at SVB, it was hardly alone. Stanford finance professor Amit Seru and three co-authors recently estimated that 11% of U.S. banks suffered larger percentage losses on their assets from higher interest rates than SVB.

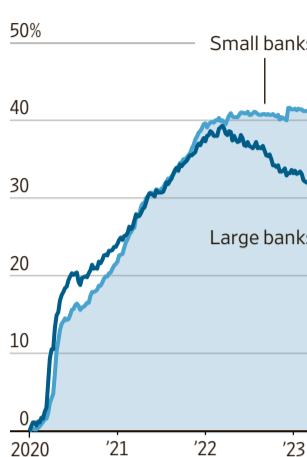
Still, in past crises defaults were ultimately more important than interest rates. In the 1980s, commercial real-estate loans were pummeled by recession, overbuilding and the collapse in oil and gas prices. Mexico and other emerging economies defaulted on loans to money-center banks. In 2007-09, subprime mortgages and related derivatives went bad.

The credit picture looks less worrisome now.

S&P Global Ratings calculates 86% of banks' securities were federally backed in the third quarter of 2022, versus 71% in 2008.

To be sure, banks until recently benefited from unusually low credit losses be-

Change in total bank deposits since start of 2020*



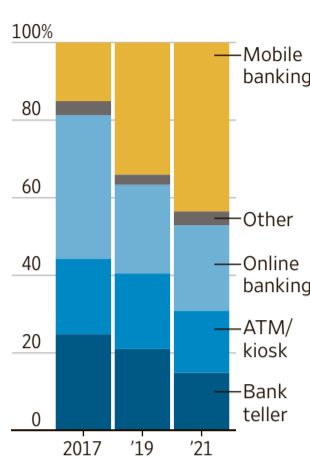
Note: *Large banks are the 25 largest by assets, all others are small banks.
†Among households with banks.
Sources: Federal Reserve (change in bank deposits); FDIC (bank account access)

cause the value of collateral such as cars has been so elevated, notes Chris Whalen of Whalen Global Advisors LLC. Those losses are going to mount. Small banks in particular are exposed to commercial real estate.

Still, while a recession would boost defaults, it might also result in falling interest rates, which would lift the value of bond portfolios. In fact, total unrealized losses shrank in the last quarter of 2022 as bond yields eased.

Compared with the past, the bigger problem for banks isn't the asset side of their balance sheets but the liabil-

Primary method of bank account access†



ity side.

That's in part due to post-pandemic fiscal and monetary policy. The Fed restarted purchases of bonds, and the Treasury sent big stimulus and other relief payments to households. Deposits ballooned. Bank loans fell to a 50-year low of around 60% of deposits in September 2021, Moody's Investors Service said in a report.

While a growing share of banks' deposits were uninsured, they were assumed to be less prone to flee than other types of wholesale funding. But social media and banking apps seem to

have changed that. The share of bank customers who use internet or mobile banking has jumped from 52% in 2017 to about 66% in 2021, according to the Federal Deposit Insurance Corp.

This didn't matter when interest rates were near zero and depositors had little reason to look for higher yields. But when the Fed lifted rates toward 4% last year, savers started to move: Deposits have been shrinking, propelled in part by the Fed's reversing its bond purchases, soaking up some of banks' excess reserves and deposits.

Jim Bianco of Bianco Research noted that in 2007 failing British lender Northern Rock's website crashed, forcing customers to visit branches to withdraw. No such problems cropped up this time. SVB's deposit outflows reached a staggering \$42 billion on March 9 and were on track to hit \$100 billion the next day, Michael Barr, the Fed's vice chairman for banking supervision, told Congress on Tuesday.

Mr. Bianco predicted such flows will become even more frictionless with the July launch of FedNow, a real-time payments service through which customers can transfer funds instantly.

"Deposit behavior has now changed—it's going to

be much more sensitive to market vs. deposit rates," Mr. Bianco predicted.

This will likely hurt smaller and regional lenders more, because depositors will reflexively move their money to banks they think are too big to fail. Indeed, in the week ended March 15, smaller banks lost \$120 billion in deposits, while the largest gained \$66 billion. "I have real concerns about the deposit franchise value at mid-size banks," Daleep Singh, a former Biden economic adviser who's chief economist at PGIM Fixed Income, told the Journal last week. Savers or small businesses with deposits above the federally insured maximum of \$250,000 would rationally move that money to "safer alternatives," he said.

When Moody's downgraded the credit-rating outlook of the U.S. banking system this month, it, too, cited the threat to many lenders' deposits. High interest rates will add to these pressures until inflation returns to the Fed's 2% target, it said.

Unless federal insurance is extended to all deposits, this suggests small and midsize banks could be in for prolonged pressure on their deposits, which could in turn force them to be acquired or limit their lending. It won't be a crisis in the usual sense, but the result may be the same.

Narcan to Be Sold Over-the-Counter

By JULIE WERNAU

People will soon be able to walk into a pharmacy and purchase medication to reverse an opioid overdose alongside other nonprescription items like aspirin and vitamins.

The Food and Drug Administration on Wednesday said the overdose-reversal medication Narcan could be sold over-the-counter for the first time since the opioid crisis began. Narcan's manufacturer, Emergent BioSolutions Inc., said the nasal-spray version of the medication naloxone would likely begin appearing on shelves by late summer. Emergent is the first company to gain approval to sell naloxone without a prescription.

Last year, two new companies said they planned to produce over-the-counter overdose-reversal medications. Pocket Naloxone and Harm Reduction Therapeutics Inc., a nonprofit with funding from now-bankrupt Purdue Pharma LP, said they aim to make the drug widely available at low cost.

Nabarun Dasgupta, co-founder of Remedy Alliance, a nonprofit that helps distribute low-cost naloxone to groups that work with drug users, said it would be up to insurers and pharmacies to put the medications within reach of people who need them.

"I anticipate that some pharmacies will put this in lockboxes," he said. "If baby formula and razorblades get stolen regularly, I would fully expect this to."

Walgreens Boots Alliance Inc. said that it would stock nonprescription Narcan once it is available and is making plans with suppliers. Walmart Inc. didn't provide pricing or store-placement information. CVS Health Corp. said it would work to expand access to Narcan.

Emergent said it didn't have pricing information for Narcan yet. Prescription Narcan can retail for more than \$100 for two doses. With coupons and insurance coverage, the cost to consumers can be much lower.

Medicaid plans in 39 states cover over-the-counter and nonprescription medications, according to the Consumer Healthcare Products Association. Stipulations for coverage may include requiring a prescription written by a licensed provider for the products or buying limits.

"As different coverage programs have different rules and flexibilities around covering over-the-counter drugs, coverage implications will depend on the program," a representative for the Centers for Medicare & Medicaid Services

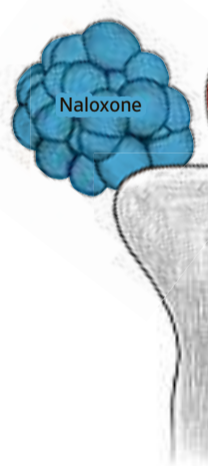
How naloxone helps during an overdose

The Food and Drug Administration has approved overdose reversal medication naloxone for purchase over the counter as the opioid crisis, fueled by illicit fentanyl, causes overdose deaths to soar.

1 When a person overdoses on an opioid drug like illicit fentanyl or a prescription drug, their breathing can slow or stop.

2 When naloxone is given during an overdose, it binds to opioid receptors and can block the effects of other opioids.

3 Naloxone can quickly restore normal breathing due to an opioid overdose.



Administering nasal naloxone

A nasally administered version of naloxone is the first to get over-the-counter approval. It can help reverse an overdose when a person using opioids is unresponsive.

1 Place and hold the tip of the nozzle in the patient's nostril until your fingers touch the bottom of their nose.

2 Press the plunger to administer the medication into the patient's nose.

Sources: FDA; National Institute on Drug Abuse

said.

The Medicare agency said it would encourage insurers to promote affordable access to naloxone including Narcan and to co-prescribe it alongside opioid medications.

The FDA had encouraged pharmaceutical companies to apply for over-the-counter approval of overdose-reversal drugs to confront a swelling overdose crisis fueled by bootleg versions of the powerful opioid fentanyl.

"The agency has used its regulatory authority to facilitate greater access to naloxone by encouraging the development of and approving an over-the-counter naloxone product to address the dire public-health need," FDA Commissioner Robert Califf said. He urged Emergent to make Narcan available as soon as possible and at an affordable

price.

Naloxone prevents death from an overdose by blocking the effect of opioids in the body. Naloxone only works to counteract the effects of opioids and not substances that include alcohol, benzodiazepines or stimulants.

The Biden administration has said that it wants the drug to be more widely available and it has allowed state and local health departments to use federal funding to purchase naloxone.

A study from the Centers for Disease Control and Prevention found that bystanders were present but unable to provide life-saving help such as naloxone treatment in approximately 46% of fatal overdoses in 2021.

The FDA and some states have loosened restrictions on opioid-reversal drugs includ-

ing Narcan. Some states are purchasing or set to receive naloxone as part of opioid settlements with pharmaceutical companies, pharmacies and distributors implicated in the opioid crisis.

A five-year project through 2021 led by the University of Washington found that 94% of overdose reversals are administered by opioid users. Less than 1% of the 8,711 overdoses recorded during the project were reversed with the help of EMTs or police.

"Fentanyl has poisoned the drug supply, and people often have no idea when a drug is laced with fentanyl," said Chuck Ingoglia, president and chief executive officer of the National Council for Mental Wellbeing, a Washington-based advocacy organization. "They shouldn't pay with their lives."

Senate Vote Revokes Iraq War Authorization

By LINDSAY WISE AND NATALIE ANDREWS

WASHINGTON—More than two decades after Congress voted to green-light the U.S.-led invasion of Iraq, the Senate voted 66-30 to revoke the law that authorized military operations for that war.

The bill now heads to the House, where it has bipartisan support but isn't guaranteed to get a vote amid opposition from some Republicans.

Eighteen Senate Republicans voted with Democrats to repeal the October 2002 authorization for the use of military force in Iraq, or AUMF, as well as to repeal a measure that cleared the way for the 1991 Gulf War.

The Biden administration supports the repeal effort and says the two authorizations that the Senate voted on Wednesday will have no impact on current overseas missions. Advocates in Congress say repeal of the open-ended authorizations is necessary to reflect the current Iraqi government's status as a partner in the region and to ensure the executive branch seeks congressional approval before sending U.S. troops into combat overseas.

"The United States, Iraq, the world has changed dramatically since 2002, and it's time the laws on the books catch up with those changes," said Senate Majority Leader Chuck Schumer (D., N.Y.) in a speech

ahead of Wednesday's vote.

Opponents argue that revoking the 2002 and 1991 authorizations would send a message of weakness, particularly after the chaotic withdrawal of U.S. troops from Afghanistan two years ago.

"Our terrorist enemies aren't sunsetting their war against us," said Senate Minority Leader Mitch McConnell (R., Ky.) in a statement. "When we deploy our service members in harm's way, we need to supply them with all the support and legal authorities that we can," he said. Mr. McConnell missed the vote as he is recovering from a fall this month.

House Speaker Kevin McCarthy (R., Calif.) hasn't committed to bringing the legislation to the floor, saying he would send it to the appropriate committees first for review. "I think it has a good chance of getting through the committee and getting to the floor, but don't preconceive any idea," Mr. McCarthy said.

In recent decades, the Bush, Obama and Trump administrations have cited the 2002 authorization—as well as a more commonly used 2001 authorization passed by Congress after the 9/11 terrorist attacks—to justify military operations in Iraq and Syria against al Qaeda, Islamic State and other militant groups. The Trump administration pointed to the 2002 AUMF to justify the killing of Iranian Maj. Gen. Qassem Soleimani in 2020.

CORRECTIONS & AMPLIFICATIONS

Chinese leader Xi Jinping has said the Taiwan issue shouldn't be passed from generation to generation. In some editions Wednesday, a World News article about the Tai-

wan president's trip to the U.S. incorrectly said Mr. Xi has said that China's goal of taking control of Taiwan shouldn't be left to the next generation.

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

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U.S. NEWS

Town's Future in Doubt After Tornado

In Rolling Fork, Miss., people weigh whether to stay or leave amid heavy losses in twister

By Rachel Wolfe

ROLLING FORK, Miss.—As principal of the town's only high school, Samuel Matthews Jr. is trying to take care of his students by helping them enroll in neighboring districts and making sure the seniors will still get a graduation ceremony and prom.

But after a tornado blasted last weekend through the town, killing 13 people and leveling most buildings, Mr. Matthews is worried about the future of South Delta High. When he graduated in 2004, the senior class had about 100 students. This year, it was down to 36 before the storm hit.

"Maybe there's hope for a new chapter now," said Mr. Matthews, 36 years old. "But oh man, we're talking years, years in the making."

Whether to rebuild or relocate is the question facing Rolling Fork's residents, one that many small, rural towns confront after natural disasters, especially in the struggling Mississippi Delta region.

Before Rolling Fork took the hardest hit from the 170-mile storm system, which killed at least 26 people across Mississippi and Alabama, the town was already losing people. Its population had declined 25% this century, from 2,486 people in 2000 to 1,883 as of the 2020 census. It had held steady the prior two decades.

While state and federal officials have said investments will be made to help Rolling Fork rebuild, and die-hards like Mr. Matthews have made clear they plan to stay, the town's future depends on whether enough people decide to come back.

"It will never, ever be the same, never," said Annie Haynes, a preschool teacher who has lived in town for the past 20 years. She was dawdling leaving the town the morning after the storm to go stay with family because she wasn't sure she would ever come back.

The main employer in Rolling Fork is the local government, with the majority of jobs in the hospital, school system or department of public works. People also work at nearby farms, where jobs have dwindled with increasing automation, or at businesses in neighboring Vicksburg and Jackson, an hour or more away.

Some who wanted to stay have had to move away because of the lack of opportunity. "This place here should have been booming bigger than what it was," said Reginald Washington, 51, a barber who grew up in Rolling Fork



A lumber company complex, above and below right, was among the structures demolished when a tornado ripped through Rolling Fork, Miss. Below left, Reginald Washington, on left, who grew up in Rolling Fork but moved away, greets Hollis Washington, who didn't have insurance on his destroyed house but hopes to rebuild.



and was back the weekend after the storm to help his mom and sister clean up.

Anne Cafer, director of the Center for Population Studies at the University of Mississippi, said her research on similar Delta communities and experience growing up in a rural town tell her the road ahead is a long one, but also to not count out Rolling Fork yet.

"You have folks who are committed to living here, but what it looks like is dependent on a lot of things," she said. Factors that could help decide the town's fate include how well-targeted outside funds turn out to be, if the community is allowed to have a say in how the money gets spent and how effectively the local government is able to organize, she said.

The Walkers are one of the Rolling Fork families who fear they won't be able to return. Their landlord texted the day after the storm to say he didn't plan to rebuild the three bedroom house whose roof caved in during the twister.

"To go through this and then to hear your landlord say I'm not rebuilding, you just have to find somewhere to go, is crazy," said Keiundra Walker, a home health aide with two 12-year-old daughters enrolled at the local school.

Ms. Walker, who was paying \$404 a month to rent the house, is worried about finding another place she can afford.

Those affected will start receiving federal and state assistance this week, "but that's not enough to rebuild," said Andrew Rumbach, a disaster

resilience researcher at the Urban Institute. He said that in situations such as Rolling Fork, instead of building stronger houses, residents are often forced into cheaper, mobile homes that are even more vulnerable to storms.

Hollis Washington, a 58-year-old road repair worker, still lived in the house he helped his dad build when he was 10, one of the first two-story buildings in town. If he could build the house once, he said, he has no doubt he would be able to do it again, even though he didn't have insurance.

"It was too big for me anyway—I never did anything upstairs," Mr. Washington said. "So Lord willing, when I get this redone, it'll just be a moderate house."



Waiting for Funds, Local Officials Fret

Samuel Matthews Sr., father of the high-school principal, is one of five Sharkey County supervisors who determine how funds are split among the school, hospital, roads, sanitation and other local services. For the district he represents, which includes part of Rolling Fork, the annual operating budget is about \$375,000.

On Monday, Mr. Matthews was in and out of meetings with the Federal Emergency Management Agency, the National Emergency Management Association and other federal

and state officials to develop strategy about next steps.

"It's just going to be a long, long road ahead but I think it's going to be OK," he said.

His fellow county supervisor Jessie Mason is less optimistic. "We're in talks about money, but until the money has actually hit our hands we don't want to say we have something that we don't have yet," Mr. Mason said. He said he thought the oldest and lowest-income members of the community who are most in need of help are the least likely to get it.

"I think at some point it will be rebuilt," he said. "But will it come back like it was? Probably not. Some people are going to cash out and move on."

Temple President Quits Over Campus Crime

By Alyssa Lukpat

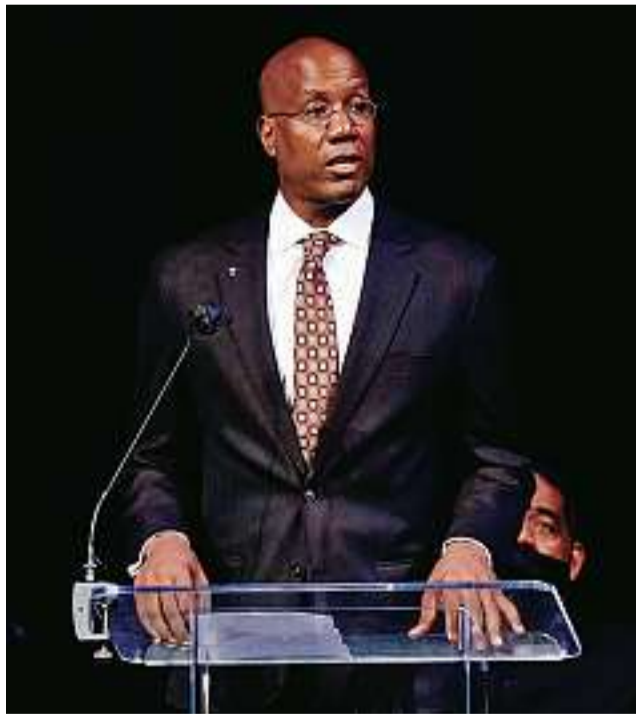
Temple University President Jason Wingard resigned, the school said, following concerns that he wasn't doing enough to address crime at the Philadelphia university.

The university's board of trustees said Tuesday that it had accepted Dr. Wingard's resignation. His last day is Friday. The board didn't say why he was stepping down, but his tenure of less than two years had been marred by high-profile campus crimes, a graduate-student strike and faltering confidence among the faculty. He was Temple's first Black president.

Dr. Wingard submitted his resignation shortly before some university staff were set to hold a no-confidence vote against him on Tuesday.

He had released a plan four days earlier to address campus safety, which he said was a crisis for the university. He said he planned to have the school place more gunshot detection devices and security cameras around campus, among other ideas.

"While I am confident in my ability to pivot strategy and lead Temple through this crisis, I understand, and it has been made clear, unfortunately, that too much focus is on me rather than the challenges we seek to overcome," Dr. Wingard said in a statement Wednesday.



Jason Wingard, president of Temple University, shown in 2022.

He said he had improved Temple's reputation in academics, athletics and other areas, but violence on campus became an existential challenge. He said the school's falling enrollment was another problem.

"This perfect storm of societal crises has drastically and disproportionately impacted Temple," Dr. Wingard said.

At least two killings rattled the Temple community during Dr. Wingard's tenure: the fatal shooting in February of a cam-

pus police sergeant while he was on duty, and the shooting death of a 21-year-old student off campus in November 2021.

Philadelphia has contended with rising crime in recent years, including a surge in the number of homicide victims, according to data from the Philadelphia Police Department. There were 516 homicides in Philadelphia last year and 562 the year prior, the most in any year dating back to at least 2007, police said.

Temple is in north Philadelphia. The public university has more than 33,000 graduate and undergraduate students, according to its website. Urban universities like Temple not only have to deal with campus security but also with crime in surrounding neighborhoods.

Some Temple students and faculty were angry with Dr. Wingard because the university took away health insurance from some graduate students during their 42-day strike earlier this year. They were asking for better wages, which the university later agreed to after weeks of contention. Students and faculty criticized the administration's response as heinous and cruel.

A union representing the staff and faculty, the Temple Association of University Professionals, had said it was concerned that longtime faculty members were being let go and that the university had increased tuition despite cutting parts of its education budget.

Mitchell Morgan, the chair of Temple's board of trustees, thanked Dr. Wingard on Tuesday for his leadership and dedication to the university. "Given the urgent matters now facing the University, particularly campus safety, the Board and the administration will ensure the highest level of focus on these serious issues," Mr. Morgan said.

—Melissa Korn contributed to this article.

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U.S. NEWS

U.S. Weighs Tighter Bank Rules

White House expected to call for agencies to stiffen requirements for midsize lenders

The White House is planning as soon as this week to recommend tougher rules for midsize banks, according to people familiar with the matter, after the collapse of two lenders this month sent tremors through the banking system.

By Andrew Restuccia, Andrew Ackerman and Andrew Duehren

The recommendations are expected to call for new rules from the Federal Reserve and other agencies, including for banks with \$100 billion to \$250 billion in assets.

The Fed is already rethinking a number of its rules related to those banks after Silicon Valley Bank and Signature Bank failed. Options include tougher capital and liquidity requirements, as well as steps to strengthen annual "stress tests" that assess banks' ability to weather a hypothetical se-

vere downturn. The White House declined to comment.

The recent worries about U.S. banks have centered on regional lenders that are perceived to be at risk of customers pulling deposits. Both SVB and Signature had large amounts of uninsured deposits—or customers with more than the standard deposit-insurance cap of \$250,000 per depositor.

President Biden has called for Congress to toughen penalties on bank executives deemed responsible for financial institutions failing. The White House hasn't coalesced around additional recommendations for congressional action, the people said. The Washington Post earlier reported some of the details of the administration's planned recommendations.

White House officials have discussed calling for legislation to restore measures in the 2010 Dodd-Frank law that were rolled back during the Trump administration. But that rollback received support from a number of Democratic lawmakers, including some Senate Democrats facing re-election



Top officials, including Treasury Secretary Janet Yellen, have argued that Americans can trust that their deposits are safe.

next year. That could make passing legislation on the issue difficult.

The White House has said it is encouraged by proposed legislation from Sen. Elizabeth Warren (D, Mass.) and Rep. Katie Porter (D, Calif.) that would revive the financial regulations that were changed during the Trump administration. The lawmakers favor reversing a 2018 change that raised to \$250 billion from \$50 billion the asset threshold at which banks automatically face strict

stress tests and other rules.

Even without new legislation, the Fed has the flexibility on its own to impose tougher rules on banks with \$100 billion in assets or more.

Administration officials also have discussed revamping federal deposit insurance by either temporarily extending insurance to all bank customers or raising an existing insurance cap of \$250,000. Some in the administration are skeptical of such an effort, some of the people said. Either step probably

would require congressional action.

Top administration officials, including Treasury Secretary Janet Yellen, have in recent weeks argued that Americans can trust that their deposits are safe. Calling for an overhaul to the deposit-insurance system could undercut such a message by suggesting the system is in need of fixes, and some administration officials prefer to wait before taking a position on the matter.

Fed Chair Jerome Powell told Republican lawmakers in a closed-door meeting Wednesday that deposit flows in the banking system had stabilized over the past week, GOP Rep. Kevin Hern of Oklahoma said.

Officials had seen deposits migrate away from smaller banks toward the largest U.S. banks in the days following the collapses of SVB and Signature. Data released by the Fed last week showed deposits at U.S. commercial banks fell \$98 billion from March 8 to March 15, but they rose \$67 billion at the top 25 banks.

◆ Banks reclassified bonds as interest rates rose..... B1

Executive Tapped to Pilot Messy Integration

By Eliot Brown

During Sergio Ermotti's last stint as chief executive officer at UBS Group AG, the bank slashed thousands of jobs, sharpened its focus and became the dominant Swiss financial institution, while rival Credit Suisse Group AG remained strategically scattered and scandal-prone.

Now the plain-spoken, immaculately dressed former derivatives trader is about to be in charge of both.

Having left UBS in 2020 after nine years at the helm, Mr. Ermotti was called back this week to run the 161-year-old bank and oversee the acquisition of Credit Suisse, a shotgun marriage of two rivals that threatens to be messy.

"The task at hand is an urgent and challenging one," he said in a statement announcing the move, adding that UBS would "thoughtfully and systematically assess all options" as it combines the companies. He is leaving his current post as chairman of reinsurance giant Swiss Re AG.

Making the merger a success is a project of national importance for Switzerland and its finance-intensive economy. A combined UBS-Credit Suisse leaves the country with a single globally important bank.

Mr. Ermotti, 62, is the latest boomerang CEO of a major corporation, joining a roster of returning chief executives that includes Robert Iger at Walt Disney Co. and Howard Schultz at Starbucks Corp.

Born in Lugano, an upmarket lakeside city in Switzerland's Italian-speaking area, Mr. Ermotti has been a banker since his youth. He started with an apprenticeship at a local Swiss bank before landing at Merrill Lynch in 1987. He climbed through the ranks to become co-head of global eq-



From left, UBS Chairman Colm Kelleher, departing CEO Ralph Hamers and returning CEO Sergio Ermotti in Zurich on Wednesday.

uity markets before leaving for a senior job at Italy's UniCredit SpA.

He was at UBS just five months when he was named interim CEO in a surprise shake-up. A rogue trader cost the bank \$2.3 billion and led then-CEO Oswald Grubel to step down. The board tapped Mr. Ermotti, who was overseeing the bank's Europe business.

Even before he was given the permanent job, he had set about a dramatic restructuring that put UBS on its path for the next decade. Named Project Accelerate, the plan led UBS to lob off large chunks of its investment bank and focus mostly on wealth manage-

ment, the business of managing rich people's money.

Back in the global financial crisis, UBS had taken a battering, posting \$50 billion of write-downs on toxic securities and other assets and requiring a state bailout. The bank couldn't focus on both pillars of investment banking and wealth management equally, Mr. Ermotti decided. Thousands of jobs were cut.

"Whenever you set about rebuilding a house," Mr. Ermotti said at a shareholder meeting while the restructuring was under way, "it's sometimes necessary to tear down a few walls."

The plan worked. Profits grew, as did its stock price. Its

diminished investment bank still played in areas like mergers and acquisitions and stock trading, but it exited a large fixed-income business.

It was a marked contrast with Credit Suisse, which didn't take state aid in the crisis and was much slower to adapt to changing conditions. Credit Suisse made one cut after another and was still overhauling its investment bank when it was bought by UBS.

The two banks' status on the world stage and with shareholders changed, too.

When Mr. Ermotti started in 2011, the two banks were similar in size and revenue: Credit Suisse had \$28 billion in sales and UBS had \$30 billion. By

2020, UBS had \$32 billion in revenue, while Credit Suisse's sales had fallen to \$24 billion.

With the bank on more solid footing, Mr. Ermotti signaled he was ready for something new and left in 2020. After a lengthy search for a successor at UBS, he took the chairman role at Swiss Re.

But the restless Mr. Ermotti wasn't content to sit on the sidelines. He served as chairman of a special-purpose acquisition company that merged with Italian luxury-goods maker Ermenegildo Zegna Group in late 2021.

Shares in the company, known for its suave suits, are up more than 30% since listing.

Ex-CEO Of UBS To Return

Continued from Page One
role he executed in the past decade, when he slashed thousands of jobs and shut much of UBS's investment-banking operations. He will now take on the task of doing the same with Credit Suisse while integrating the large parts of the two banks' businesses that overlap. These include wealth management, asset management and Swiss retail banks.

Mr. Ermotti, currently chairman of reinsurance giant Swiss Re AG, will step down from that role. He will maintain his position as lead independent director on the board of fashion group Ermenegildo Zegna.

Mr. Ermotti is Swiss-born, while Mr. Hamers hails from the Netherlands. The return of a Swiss national to the helm might help reassure the bank's substantial domestic customer base and politicians in the country who have bristled at

the reputational damage caused by Credit Suisse's downfall.

Mr. Kelleher said replacing Mr. Hamers shouldn't be seen as a Swiss solution, although he and Mr. Hamers said rehiring Mr. Ermotti would serve Switzerland's interests.

UBS agreed to take over Credit Suisse this month for \$3.2 billion. The acquisition, pushed by Swiss regulators, sought to avert further damage to the banking system. Credit Suisse, hobbled by years of financial and reputational missteps, experienced substantial customer outflows in recent months. Those withdrawals accelerated when the collapse of Silicon Valley Bank focused attention on weakest links among global banks.

The deal combines two sprawling financial institutions that competed against each other for decades. It puts UBS in charge of running down Credit Suisse's huge trading positions and laying off its executives and staff. The takeover is the first time two institutions deemed by international regulators as systemically important have been combined since the global financial crisis.

Credit Suisse is Switzer-

land's No. 2 bank by assets, after UBS. Through the acquisition, UBS will double its market share in the country and in some other activities.

Swiss regulators granted a yearslong waiver to UBS on the additional capital the combined bank will need. The combined group would have around 125,000 employees across the world, although

\$3.2B

Price UBS is paying to take over Credit Suisse

tens of thousands of jobs will go, UBS has indicated.

Mr. Ermotti said UBS needs to "thoughtfully and systematically assess all options."

Mr. Kelleher said the plan will be to reduce most of Credit Suisse's investment bank and to make the overall investment bank at UBS even smaller than before the acquisition. Credit Suisse's large investment bank was the root of many of the problems leading to its downfall, including trad-

Credit Suisse Criticized In Report

By Richard Rubin

WASHINGTON—Credit Suisse Group AG violated the terms of a 2014 criminal plea agreement in which it promised to stop helping Americans hide assets from the U.S. tax authorities, a Senate report released Wednesday said.

The Senate Finance Committee's Democratic staff said Credit Suisse failed to report bank transfers tied to what it says may be an ongoing criminal tax conspiracy involving more than \$100 million held by a family with dual citizenship in the U.S. and Latin America.

The bank also, partly in response to the committee inquiry, recently identified more accounts that may be tied to Americans.

"It is deeply concerning that almost nine years after executives testified before Congress that the bank would clean up its act, Credit Suisse is still disclosing hundreds of millions of dollars in secret offshore accounts belonging to wealthy U.S. taxpayers," the report said.

Credit Suisse is said to have violated a 2014 plea deal by helping hide assets.

The findings are another setback for Credit Suisse, which is being bought by rival UBS Group AG in a deal urged and supported by Swiss regulators. UBS agreed to take on Credit Suisse's substantial legal liabilities in the takeover.

In its 2014 plea agreement with the Justice Department, Credit Suisse admitted that it had helped Americans evade taxes for years. It agreed to pay \$2.6 billion and said it would comply with U.S. law.

Justice Department officials found deficiencies in the bank's handling of its 2014 plea agreement, The Wall Street Journal reported last November, citing people familiar with the case. The bank said at the time it had devoted substantial resources to improve its compliance.

An Internal Revenue Service spokesperson declined to comment. A spokesperson for the Justice Department didn't respond to a request for comment.

"Credit Suisse does not tolerate tax evasion," said a Credit Suisse spokesperson. "The report describes legacy issues, some from a decade ago, and we have implemented extensive enhancements since then to root out individuals who seek to conceal assets from tax authorities," the spokesperson said. The bank is cooperating with the Justice Department to address "remaining legacy conduct or policy concerns," the spokesperson said.

UBS is expected to close its takeover of Credit Suisse next month.

A UBS spokesperson said as part of the acquisition the bank "made an assessment of outstanding litigation and investigation matters. We expect the transaction will be accretive to our shareholders in a wide range of business scenarios."

The committee started its investigation in April 2021, prompted by the prosecution and guilty plea of businessman Dan Horsky for tax fraud. According to the report, Mr. Horsky controlled \$220 million in accounts at the bank, but the U.S. government learned of them from a whistleblower, not from Credit Suisse.

Most of that activity occurred before the plea deal but the committee report notes that Mr. Horsky was still being invited to bank events for top customers in 2015.

Mr. Horsky's case prompted the Senate committee's investigation into other Credit Suisse clients, including the family with dual citizenship. The report doesn't identify the family and cites Credit Suisse as saying that the matter involves ongoing cooperation with U.S. law enforcement.

UBS said it would try to reach more mainstream wealthy customers in the U.S., and had planned to buy digital wealth adviser Wealthfront before backtracking last year.

The demise of the Wealthfront acquisition exposed rifts between Mr. Hamers and Mr. Kelleher, who joined as UBS chairman a few months after it was struck in January 2022. The deal would have taken UBS into the "mass affluent" market, an area it had previously avoided.

Mr. Kelleher said he appreciated Mr. Hamers' "understanding of the current situation and willingness to step down."

Mr. Kelleher said he got in touch with Mr. Ermotti on March 20, the day after the Credit Suisse rescue.

Analysts and investors have said the combination could be powerful in terms of generating revenue, but will take years to carry out. The two Swiss banks both manage the

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U.S. NEWS

Mountain Snowpack Keeps Building in California



PILING ON: Another storm system left behind snow in the Sierra Nevada and across the state Wednesday. Part of U.S. 395 on the eastern side of the mountain range was closed because of the snowfall. More precipitation is in the forecast for later this week.

Senate Votes to Revoke Biden Rule On Clean Water, Setting Up a Veto

By Kristina Peterson

WASHINGTON—The Senate approved a measure Wednesday aimed at challenging the Biden administration's clean-water regulations, but it faces an expected White House veto.

The resolution, which has already passed the House, cleared the Senate in a 53-43 vote. It seeks to revoke a Biden administration rule that expanded the definition of waterways subject to federal pollution regulations.

Supporters of the measure say the Biden rule expanded protections to insignificant bodies of water, such as some seasonal or temporary streams, creating unnecessary regulatory hurdles for farmers, homebuilders, pipeline projects and others that they think should be left up to states instead.

Sen. Shelley Moore Capito of West Virginia, the top Republican on the Environment and Public Works Committee, said this week that President Biden's "overreach" on regulating water "is going to penalize so many people."

Democrats said the Biden rule strikes a balance between protecting communities from industrial and chemical pollution in waterways, while also giving some flexibility to farmers.

The Biden rule includes an exception for farming on prior converted cropland, which makes up 53 million acres, Sen. Tom Carper (D., Del.), chairman of the Environment and Public Works Committee, said on the Senate floor Wednesday.

"The rule protects the nation's waters, wetlands and provides flexibility for those who need it," Mr. Carper said. "How private property owners manage their land has the potential to affect us all."

The White House has already said Mr. Biden would veto the measure, and currently there aren't enough votes to override that.

The Biden administration rule, issued in late January, defined which waters would be regulated under the Clean Water Act. It went into effect last week in all but two

states—a federal judge blocked it from going into effect in Texas and Idaho.

During the Trump presidency, Environmental Protection Agency regulators rescinded an Obama-era rule that expanded federal oversight to protect wildlife and the country's drinking-water supply from industrial runoff and pollution.

The Trump administration said some of the protected areas were dry land.

According to the Army, whose civil works division handles major waterway development and management projects, the Trump-era EPA rule led to a 25-percentage-point reduction in "determinations of waters that would otherwise be afforded protection."

Most Democrats had backed Mr. Biden's rule, saying the Trump regulations had left communities at risk of being exposed to pollution. But some Democrats in conservative-leaning states voted with all Senate Republicans to revoke the Biden rule.

"There's so many things

they're trying to control," Sen. Joe Manchin (D., W.Va.) said of the Biden rule, which he voted to revoke. "It's just an overreaching situation."

The measure passed under the Congressional Review Act, which allows the Senate and House to overturn regulations finalized by the executive branch in the previous 60 legislative days using a fast-track process that requires a simple majority vote.

When Congress passed the Clean Water Act in the early 1970s, lawmakers didn't define which "waters of the United States," or WOTUS, fell under its purview, leaving it up to federal agencies to decide how to implement it.

"There's been such confusion over the definition of WOTUS really since the inception of the Clean Water Act," said Courtney Briggs, senior director of government affairs for the American Farm Bureau Federation.

The Supreme Court is expected to issue a decision soon about how to apply the Clean Water Act to wetlands.

GOP Budget Proposal Could Be Months Away, House Lawmaker Says

By Natalie Andrews

WASHINGTON—President Biden said he needs to see House Republicans' budget proposal to start negotiations related to raising the nation's borrowing limit. House Republicans' response: not going to happen.

The chairman of the House Budget Committee, Texas Rep. Jodey Arrington, said in an interview that the GOP budget process could take months to play out, pushing it past the deadline for Congress to act on raising the debt ceiling and avoid a U.S. default on debt payments and other government obligations. Instead, he and other top Republicans want to start talks immediately on a shorter list of demands for this year, without a formal budget in hand.

"The more urgent matter is to address the debt ceiling and negotiate spending limitations and broader fiscal reforms in the process," Mr. Arrington said. On when Republicans could produce a budget, the Texas lawmaker said he would be disappointed if the House didn't pass a budget resolution before the end of the fiscal year in September.

GOP lawmakers want spending reductions and policy changes as a condition for raising the debt limit. Mr. Biden has said the debt ceiling should be raised with no conditions attached, while saying he is open to a separate debate over fiscal policy once Republicans produce a budget.

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

Mr. Arrington pointed to a list of priorities presented by House Speaker Kevin McCarthy (R., Calif.) as the opening bid for Republicans in their negotiations with the White House. The list, referenced in a letter Mr. McCarthy sent Tuesday to Mr. Biden, includes rolling back top-line spending to fiscal 2022 levels and locking in small annual increases from there, as well as clawing back unspent Covid-19 funds, strengthening work requirements for government programs and making changes to energy policy.

In his letter, Mr. McCarthy said that talks should begin immediately.

The White House released its own budget proposal earlier this month, which includes tax increases designed to narrow the budget deficit. Mr. Biden said Tuesday that he wanted to see Mr. McCarthy's budget plan before Easter recess—which starts Friday—before beginning talks. While neither budget would have a chance of becoming law, they serve to outline the parties' policy intentions.

Under the law, Congress is supposed to release a budget resolution in April, though lawmakers from both parties have failed to meet that deadline in recent years. Mr. McCarthy had previously said the GOP budget would be delayed a short time because the president's own budget was late.

Republicans have set a goal of balancing the budget over 10 years while extending expiring tax cuts, an effort that would require deep reductions across the government, particularly if Social Security, Medicare and defense are off the table, as lawmakers have indicated.

Mr. Arrington said the broader overhaul of federal taxes and spending would have to wait until later this year, because of its complexities as well as the need to build GOP consensus in the closely divided House. Delaying a fuller budget, he said, would also put off anticipated political attacks that could derail talks over the debt ceiling with Mr. Biden.

He said he didn't plan to address the solvency of Social Security and Medicare in his budget, saying instead that entitlement spending should be tackled in a bipartisan manner through separate discussions.

The White House has said that the GOP budget effort would lay out severe cuts to federal spending, making the proposal politically radioactive for many Republican lawmakers facing re-election next year.

"Every week, House Republicans invent a new excuse to hide their budget from the American people even while signaling that they would impose devastating cuts," said White House spokesman Andrew Bates.

—Lindsay Wise contributed to this article.

Big-City Exodus Slows

Continued from Page One

ments as some office landlords default and some rents drop. The New York metro area, the nation's most populated, saw its population decline 0.8% in the most recent year's data. The second- and third-biggest metros, Los Angeles and Chicago, saw similar percentage declines. While suburbs grew collectively, some of the biggest metros saw some of their suburban counties shrink, including Los Angeles, Chicago and Washington, D.C.

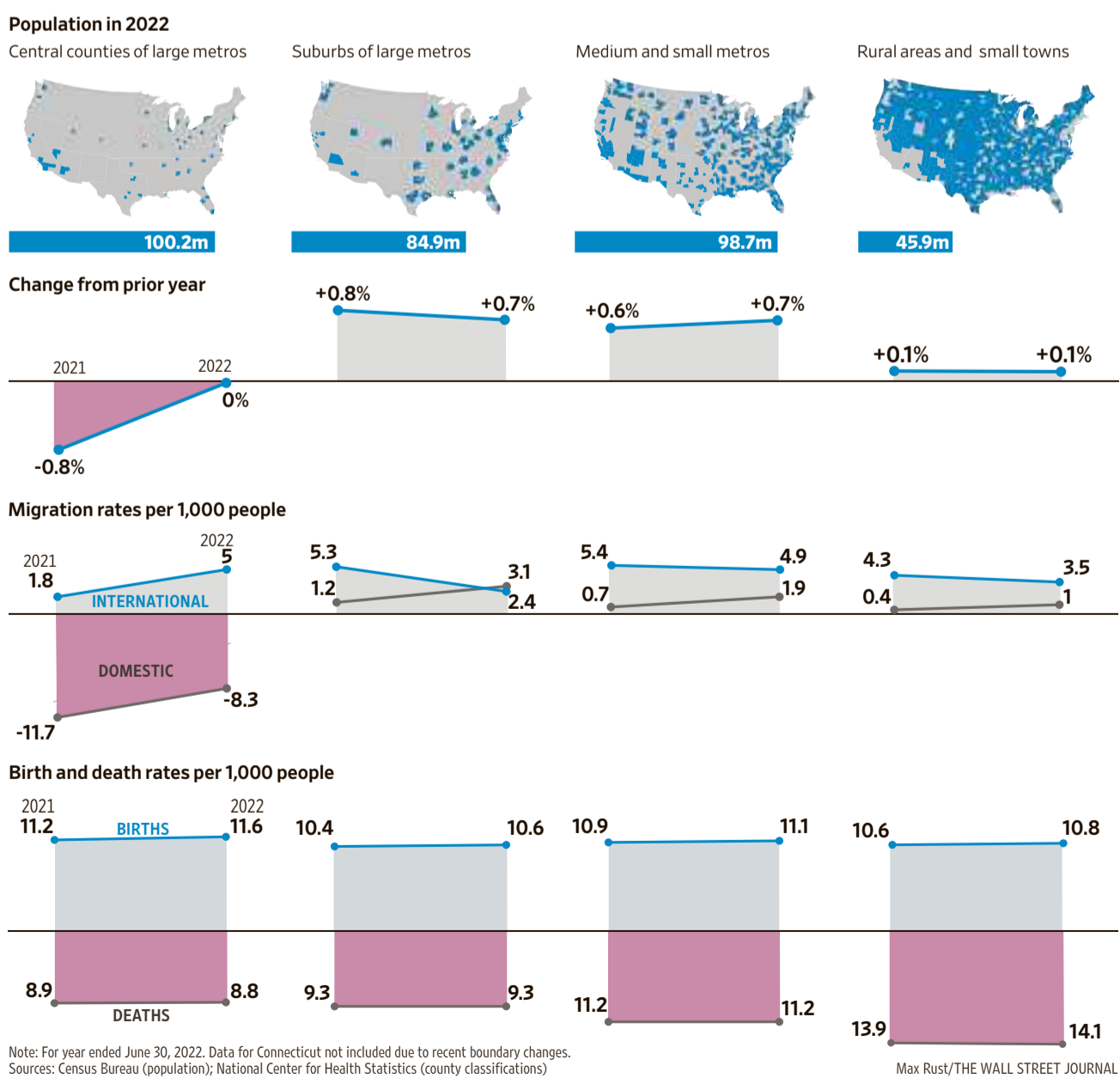
Ten of the nation's 25 largest metropolitan areas lost population during the one-year period. The gainers were all in Southern or Western states, with the exception of the Minneapolis-St. Paul area, which recorded a small gain after losing residents the previous year.

Collectively, the populations of suburban counties and small- and midsize metros increased 0.7% during the year. The search for more affordable housing is attracting many to smaller cities and metropolitan areas.

Counties with small towns and rural areas, which tend to have older populations, had a net gain of about 160,000 domestic movers. But that was almost completely offset by the fact that those areas had more deaths than births.

The estimates cover counties, but also include a handful of cities whose boundaries align with county lines. New York City halved the population loss it suffered from

The suburbs of big cities and medium to small-size metropolitan areas continued to claim most of the nation's growth.



Note: For year ended June 30, 2022. Data for Connecticut not included due to recent boundary changes. Sources: Census Bureau (population); National Center for Health Statistics (county classifications)

mid-2020 to mid-2021, but still dropped 123,000 people in the latest year. Its population has fallen more than 400,000 in the most recent two years, to 8.34 million, even as Man-

hattan swung from a 99,000 loss the first year of the pandemic to a 17,000 gain in the most recent year available.

San Francisco slowed recent declines, losing only about

3,000 people, mostly because it lost fewer net movers to the rest of the country. Washington, D.C., shifted to a slight population gain after a small loss the previous year. Philadelphia's

loss doubled to 22,000, while Baltimore dropped 7,000, after losing 6,000 the previous year.

Nicholas Bloom, a Stanford economics professor who studies work-from-home patterns

and has used U.S. Postal Service data to track movements since the start of the pandemic, said cities are seeing a "doughnut effect" with the hollowing out of city centers and growth of suburban rings.

"What it shows is huge migrations out of big city centers mostly to the suburbs of the same cities," he said. From the start of the pandemic through December 2021, his research shows 58% of households that moved from a central business district or high-density ZIP Codes in the nation's 12 most populated metropolitan areas landed in a suburb or exurb in that same metro.

"Tech workers, bankers and managers in big cities are finding they are now only going into work three days a week and are happy to have an extra 20- or 30-minute commute for more space," Mr. Bloom said. "The prices of properties in the suburbs of big cities have gone up a lot."

Chris Porter, chief demographer at John Burns Real Estate Consulting in Irvine, Calif., said that in the wake of the pandemic suburban areas are likely to continue to be growth areas for employment and far outer-ring exurban areas are likely to see more housing growth.

"That's where the land is available and you are seeing a lot of construction," he said.

In metro Atlanta, for example, the core county of Fulton grew 1.1% while four edge counties (Dawson, Jasper, Lamar and Walton) grew at least three times as fast.

Seven of the 10 fastest-growing metro areas are in Florida. The Villages, a sprawling retirement community in central Florida, grew the fastest at 7.5% and is now home to almost 145,000 people.

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U.S. NEWS

Dogs, Cats Tied To Lower Child Food Allergies

Study tracked kids' exposure to pets from prenatal development through early infancy

By JOSH ULICK

Children with dogs and cats in their homes were less likely to develop food allergies than other children, a study published Wednesday shows.

The study, led by Dr. Hisao Okabe of Fukushima Medical University, followed more than 66,000 children who were part of the Japan Environment and Children's Study. Analyzing questionnaires, researchers tracked pet exposure from prenatal development through early infancy, and measured the incidence of allergies in children up to 3 years old.

They found that children living with indoor dogs were less likely to experience egg, milk and nut allergies.

They also determined that children with cats were less likely to have egg, wheat and soybean allergies.

In general, children exposed to pets during both prenatal development and early infancy had lower rates of food allergies than those exposed in only one of these stages. And children living with dogs allowed indoors had lower allergy rates than those with dogs who live outdoors.

The study found that fish, fruit, crustacean and buckwheat wheat noodle allergies weren't significantly associated with exposure to pets.

Other pets, such as turtles or birds, had no significant association with food allergies.

Hamsters, however, were associated with an increased incidence of nut allergies.

The study, published in the Journal PLOS One, builds on previous research, including a recent South African study that found exposure to farm animals during fetal development or infancy decreased the risk of food and other allergies.

The current study is unique in its large sample size, range of pets and foods examined, and in its differentiation between prenatal and postnatal exposure, according to the authors.

Food allergies affect more than 5% of U.S. children, according to the U.S. Centers for Disease Control and Prevention. They can have serious, sometimes life-threatening consequences.

In explaining why pet exposure may affect food allergies, the researchers pointed to the so-called hygiene hypothesis, which says that contact with bacteria and other microbes, including from animals, may be essential for building a healthy immune system.

Having pets in the house might inoculate the GI tract of babies and lead to a more tolerant immune response that is less sensitive to allergens, some researchers have suggested.

"Pet exposure may increase abundance of certain gut microbes as well as contribute to the diversity of gut bacteria, which is possibly associated with lower rates of allergic disease," Dr. Okabe said.

Dr. Edwin Kim, chief of Pediatric Allergy-Immunology at University of North Carolina



Youngsters with dogs and cats in their homes are less likely to develop food allergies, a Japanese study of 66,000 children found.

School of Medicine, noted that food-allergy rates are higher in the developed world, where disinfectants and other modern conveniences may limit our exposure to microbes.

"Are we too clean, not challenging our immune systems the way they should be?" he asked.

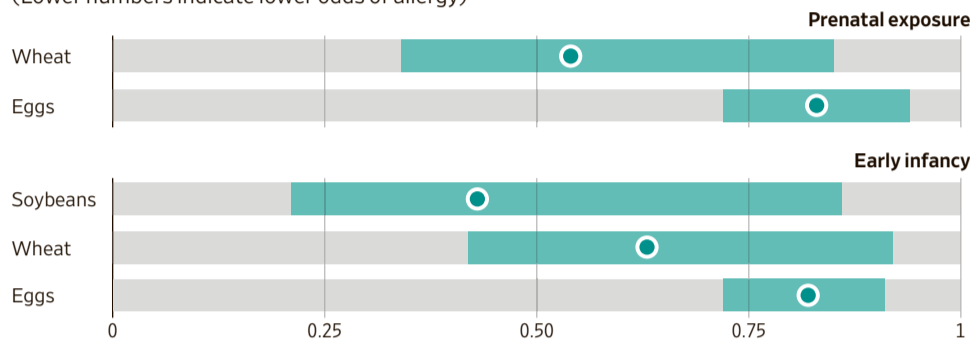
The authors noted several caveats to the study, including that they didn't test children directly for allergies, but rather relied on doctors' diagnoses reported by parents.

Dr. Kim, who wasn't involved in the research, praised the study's large sample size but noted its subjects were limited to Japan, whose unique genetic or environmental characteristics might not apply to other countries.

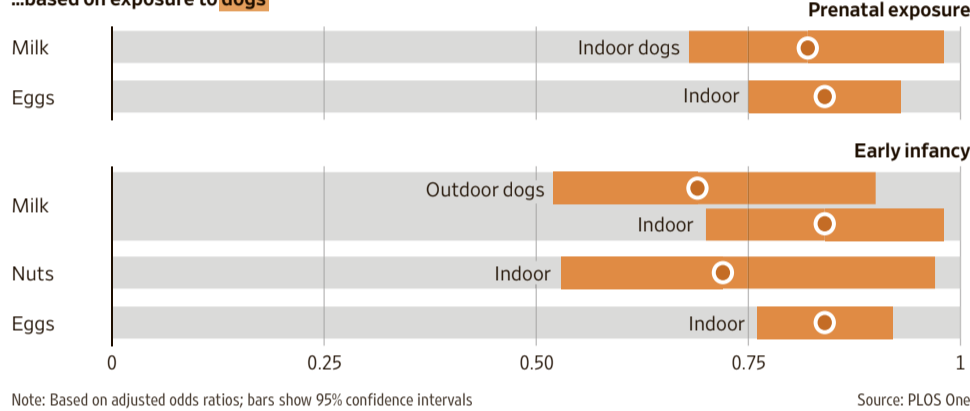
A new, large-scale National Institutes of Health-sponsored U.S. birth cohort study called Sunbeam, which is examining early risk factors for allergies including environmental exposures, may provide results that confirm and expand on the current study, he said.

Reduction in odds of having various food allergies based on exposure to cats

(Lower numbers indicate lower odds of allergy)



...based on exposure to dogs



Note: Based on adjusted odds ratios; bars show 95% confidence intervals

Source: PLOS One

U.S. WATCH

FLORIDA

DeSantis Set Back in Disney Oversight Plan

Board members picked by Florida Gov. Ron DeSantis to oversee governance of Walt Disney World said Wednesday that their Disney-controlled predecessors pulled a fast one on them by passing restrictive covenants that strip the new board of many of its powers.

The current supervisors of the Central Florida Tourism Oversight District said their predecessors last month signed a development agreement with the company that gave Disney maximum developmental power over the theme park resort's 27,000 acres.

The five supervisors were appointed by the Republican governor to the board after the Florida Legislature overhauled Disney's government in retaliation for the entertainment giant opposing so-called Don't Say Gay legislation that bars instruction on sexual orientation and gender identity in kindergarten through third grade.

The new supervisors replaced a board that had been controlled by Disney during the previous 55 years. Board member Brian Aungst called the old board's moves "a subversion of the will of the voters and the Legislature and the governor." Disney said all agreements were above board and took place in public.

—Associated Press



HEFTY HONOR: NASA's Brett Raulerson and John Giles receive a Guinness World Records certificate for heaviest self-powered vehicle, the 6.65 million-pound Crawler Transporter-2, in Cape Canaveral, Fla.

KENTUCKY

Transgender Curbs Enacted Over Veto

Republican lawmakers in Kentucky on Wednesday swept aside the Democratic governor's veto of a bill regulating some of the most personal aspects of life for transgender young people—from banning access to gender-affirming health care to restricting the bathrooms they can use.

The votes to override Gov. Andy Beshear's veto were lopsided in both legislative chambers,

where the GOP wields supermajorities. The Senate voted 29-8 to override Mr. Beshear's veto. A short time later, the House completed the override, 76-23.

The American Civil Liberties Union of Kentucky said that it intends to "take this fight to the courts" to try to preserve access to health care options for young transgender people.

David Walls, executive director of the Family Foundation, said the bill puts "policy in alignment with the truth that every child is created as a male or female."

—Associated Press

MIDWEST, SOUTH

Major Storms Coming Soon, Forecasters Say

A series of severe storms, likely with deadly tornadoes, are forecast to rip across parts of the Midwest and South over the next couple of weeks, especially Friday, meteorologists said.

The National Weather Service said 16.8 million people live in the highest risk zone, and more than 66 million people overall should be on alert Friday.

—Associated Press

Paperwork Burden Trimmed

Continued from Page One
lays or blocks access to needed care.

Prior authorization has generated so much resentment in recent years that some state and federal officials have begun taking steps to ease the process, putting pressure on health insurers to revamp their programs.

As the complaints have increased, health insurers have been making tweaks.

Cigna Group, another large insurer, said it was reducing prior authorization, including removing the requirement for about 500 services and devices since 2020.

Meantime, CVS Health Corp.'s Aetna health insurance arm said it was working to automate and simplify prior authorization.

"Reducing the volume of prior authorization demands and implementing gold-carding programs are both central reforms we have sought," American Medical Association President Jack Resneck Jr. said.

He said he was cautiously optimistic about UnitedHealthcare's changes but wants to see the details to confirm they will create meaningful improvements.

Prior authorization is a longtime feature of health insurance. For procedures such as knee replacements or expensive arthritis drugs, the companies require doctors to document that a patient really needs the service.

Insurers said prior authorization helps ensure patients get the best and most appropriate care, as well as tamping down unnecessary costs.

"The real intent is to guard clinical quality and patient safety," said Margaret-Mary Wilson, UnitedHealth Group's chief medical officer.

For doctors, however, filling out the documentation can be so time-consuming that many practices and hospitals employ staff dedicated to the work.

"It's extremely frustrating," said Angus Worthing, a rheumatologist in Washington, D.C., whose practice has to employ about one prior-authorization-focused staffer for every two doctors, he said.

Patients typically wait two to four weeks to get medications under the process, he said, and while they wait, he sometimes needs to put them on other drugs that cause side effects.

In an AMA survey of 1,001 doctors last year, 94% said prior authorization delayed needed care, while a third said the process led to a serious adverse event for a patient.

Some doctors and patients also complain that health insurers use the process to deny valid care.

The Department of Health and Human Services' Office of Inspector General reported last year that 13% of prior-authorization denials by privately run Medicare plans were for benefits that should have been covered.

To smooth and limit prior authorization, states including Texas, Michigan and Louisiana have passed new prior-authorization laws with "gold card" provisions in the past few years; about 29 states are currently considering legislation, according to the AMA.

The Centers for Medicare and Medicaid Services last

'It's extremely frustrating,' says a rheumatologist of preapproval rules.

Wisconsin First-Graders Told to Drop Song From Concert

By ALYSSA LUKPAT

First-graders at a Wisconsin school have been banned from singing "Rainbowland" by Miley Cyrus and Dolly Parton at a concert after school officials said the song could be deemed controversial.

Melissa Tempel, 44 years old, and her students had been rehearsing the tune for three days, she said, singing melodies about how nice it would be to live in a world without judgment. Then officials in the Waukesha School District said last week that the first-graders couldn't sing "Rainbowland" at a school concert in May.

Ms. Tempel said the administrators in Waukesha, which is about 15 miles west of Milwaukee, didn't give her a reason.

"It was pretty shocking they would be so bold," Ms. Tempel said in an interview Tuesday, "because it's such a great song



'Rainbowland' by Dolly Parton and Miley Cyrus could be considered too controversial for first-graders, a school district says.

with a positive message."

When Ms. Tempel broke the news to her 24 students, she said they were upset and some of them shouted, "Why?"

"They were asking, 'Why can't we sing it?'" she said. "They all really liked it." The Waukesha School Dis-

trict said in a statement that the principal and an administrator decided the song could be considered controversial and might violate a school board policy. The district said it supported the move.

"Rainbowland" expresses hope that one day the world

could be full of rainbows instead of hate. Gay pride flags are a rainbow of colors. Representatives for Ms. Cyrus and Ms. Parton didn't return requests to comment.

Ms. Tempel said the song was supposed to be one of five that her students, along with two other first-grade classes, would perform for their parents at the concert in May.

Sarah Schindler, a 38-year-old educator, said her first-grade daughter had been excited to sing "Rainbowland."

"The next week she came home and said, 'We can't sing it anymore,'" said Ms. Schindler. She said she thought it was outrageous that the school would prevent her child from singing about rainbows.

"To me, 'Rainbowland' tells you to be accepting of all people," she said, "and so by banning a song that talks about that I think is a very political act."

WORLD NEWS

Israel-Washington Tensions Grow

Biden criticizes plan to overhaul the judiciary, drawing rebukes from Netanyahu, his backers

By Aaron Boxerman
and Eric Bazail-Eimil

Israeli Prime Minister Benjamin Netanyahu's plan to overhaul his country's justice system has stirred tensions with the U.S., with President Biden and congressional Democrats criticizing the proposal and Israeli lawmakers firing back that the legislation is an internal matter.

Mr. Biden on Tuesday said he was "very concerned" about a judicial overhaul in Israel that would grant the ruling coalition power to appoint more like-minded justices, allow the Israeli parliament to overrule the Supreme Court with a simple majority and sharply circumscribe judicial review. Mr. Netanyahu halted the legislation on Monday after strikes rocked the country and dissent over the law inside Israel's military escalated into a crisis.

Mr. Biden cautioned Israeli leaders that "they cannot continue down this road" and said Mr. Netanyahu wouldn't be in-

vited to the White House "in the near term."

The remarks sparked a furor in Jerusalem, where Mr. Netanyahu released a statement at 1:30 a.m. local time saying Israel wouldn't make decisions based on "pressures from abroad, including from the best of friends." On Wednesday, during a State Department virtual summit promoting democracy, Mr. Netanyahu said the U.S. and Israel have had "occasional differences" but called the alliance "unshakable."

On Wednesday, Israeli National Security Minister Itamar Ben-Gvir, a far-right supporter of the judicial overhaul, said Mr. Biden should respect the results of Israel's election last November, when some of Mr. Netanyahu's allies campaigned on the judicial overhaul.

Supporters of the overhaul say the plan is necessary to rein in activist left-wing judges who have seized too much power and thwart the will of elected right-wing majorities in Israel's parliament, the Knesset. Critics say the proposals would effectively eliminate judicial review and deal a fatal blow to Israel's democratic character. Mr. Netanyahu is now pursuing compromise leg-



Prime Minister Benjamin Netanyahu at the Knesset on Monday.

islation for passage this year.

Mr. Biden has made friendship with Israel a bedrock of his foreign policy, choosing the ally as the first stop on his Middle East trip last summer and rarely weighing in on the conflict with the Palestinians. He spoke on Tuesday about the judicial overhaul after months of Israeli protests in which demonstrators have called the effort a slide into

authoritarianism.

Mr. Biden on March 19 discussed the issue with Mr. Netanyahu in a phone call, emphasizing that "fundamental changes should be pursued with the broadest possible base of popular support," the White House said. Biden administration officials have publicly called for Mr. Netanyahu to reach a compromise on the judicial overhaul for weeks.

A senior U.S. official said American pressure had played an important role in eventually pushing Mr. Netanyahu to back down and delay the legislation. The pressure campaign began in earnest during a February visit by Secretary of State Antony Blinken to Israel, the official said.

A senior Israeli official said concerns about the U.S.-Israel relationship were overblown and that there is no crisis. The official added that U.S. pressure had no bearing on Mr. Netanyahu's decision to delay the legislation. The official also said it wouldn't be proper for the U.S. to get involved in internal Israeli politics.

The White House sought to play down tensions between Messrs. Biden and Netanyahu.

"These two gentlemen have known each other for 40 some odd years," said John Kirby, the National Security Council coordinator for strategic communications. "You don't always agree with everything your friend does or says, and the great thing about a deep friendship is you can be that candid with one another."

—Shayndi Raice
and Sabrina Siddiqui
contributed to this article.

Beijing Warns U.S. Over Visit By Tsai

By James T. Areddy
and Charles Hutzler

NEW YORK—Taiwan President Tsai Ing-wen arrived in New York on Wednesday for her first visit to the U.S. in more than three years, in the face of threats from Beijing that American politicians who engage with her could trigger unspecified retaliation.

Her visit through Friday provides Ms. Tsai with a rare opportunity to command an international stage and promote the democratic island to its most prominent champion, the U.S.

Ms. Tsai's presence in the U.S. is nonofficial, in line with U.S. policy toward China, and is technically considered a transit, U.S. officials said.

Several dozen people holding Taiwan and U.S. flags outside Ms. Tsai's midtown hotel on Wednesday afternoon were outnumbered by hundreds of Beijing supporters with Chinese flags who were kept to the other side of the street by police. Some carried signs calling Ms. Tsai a traitor.

"Down with Tsai Ing-wen" was chanted through a loudspeaker. Ms. Tsai's supporters, including one dressed as a black bear, a symbol of Taiwan, shouted, "Let's go, Taiwan!"

In keeping with past transit stops, Ms. Tsai won't be meeting with senior members of the Biden administration, U.S. officials said. They cautioned Beijing not to overreact, noting that Ms. Tsai has visited the U.S. on similar stopovers on six previous occasions.

The visit could, nevertheless, spark an angry response from Beijing. China considers Taiwan an integral part of its territory and contends that any interaction with Ms. Tsai or its other leaders by U.S. authorities violates diplomatic agreements.

"The trip is not so much a 'transit,' but an attempt to seek breakthroughs and propagate 'Taiwan independence,'" Chinese Foreign Ministry spokeswoman, Mao Ning, said on Wednesday. "The issue is not about China overreacting, but the U.S. egregiously conniving at and supporting 'Taiwan independence' separatists."

Ms. Tsai's expected meeting with House Speaker Kevin McCarthy next week in Los Angeles is likely to prove the most consequential aspect of the Taiwanese president's U.S. visit.

Watch a Video



Scan this code for a video on Tsai Ing-wen's transit visits to the U.S.

Zelensky Presses Xi for a Meeting in Ukraine

By Jared Malsin
and Austin Ramzy

Ukrainian President Volodymyr Zelensky is urging Chinese leader Xi Jinping to meet with him as Beijing maneuvers itself as a potential peacemaker with strong ties to Moscow.

Mr. Zelensky's overtures are a test of China's push to expand its influence on the global stage, while maintaining Beijing's claim of neutrality in the Ukraine war. Mr. Xi met Russian President Vladimir Putin in Moscow last week in a visit that reaffirmed the countries' economic and political partnership. Now Kyiv is seeking to counter Russia's embrace of China with its own diplomatic efforts.

"We are ready to see him here," Mr. Zelensky said. He told reporters last month that Ukrainian diplomats signaled to Beijing his willingness to meet. "It's in the interests of Ukraine today."

Mr. Xi hasn't spoken with Mr. Zelensky since the start of the war, but Beijing released an ambiguous position paper calling for peace talks last month and indicated it wants to play a greater role in any settlement.

"I currently have no information to provide on the communication between leaders," said Mao Ning, a spokeswoman for China's Ministry of Foreign Affairs on Wednesday.

Kremlin spokesman Dmitry Peskov said Moscow has no right



The city of Bakhmut in Ukraine's eastern Donetsk region has been the site of months of intense battles with Russian troops.

to advise on Mr. Xi's contacts.

Separately, Ukraine said its forces shot down a Russian warplane near the eastern city of Bakhmut, while repelling multiple attempts by the Kremlin's forces to seize the town.

Meanwhile, Rafael Grossi, the director-general of the International Atomic Energy Agency, visited Ukraine's Zaporizhzhia nuclear-power plant, which has been the subject of global safety concerns since Russian forces seized it

last year, the Ukrainian nuclear energy agency said. Earlier this week Mr. Grossi said he would visit the plant to assess its safety and security.

Separately Wednesday, explosions rocked the Russian-occupied city of Melitopol in southeastern Ukraine, said Russian and Ukrainian officials.

"Melitopol—it's loud! Several explosions at once are heard in all districts of the city," said Ivan Fedorov, the exiled mayor of Melitopol, in a

post on his Telegram channel. "The occupiers are fusing."

Russian state newswire TASS reported that the early-morning explosions damaged the city's power-supply system and cut off electricity in parts of the city and nearby villages. There were no casualties.

The Ukrainian military also warned of "a high probability of further missile and airstrikes across Ukraine." Russian forces have launched numerous missile and drone attacks on

Ukrainian civilian housing and infrastructure far behind the front lines, part of what Ukrainian and Western officials say is a strategy to demoralize the broader population.

Meanwhile, Ukraine's Operational Command South said its missile and artillery units destroyed a motorboat that was used to move a Russian sabotage and reconnaissance group between the Dnipro islands, as well as an Orlan-10 winged observation drone.

FROM PAGE ONE

Craze Over Metaverse Recedes

Continued from Page One

part by expensive hardware requirements and glitchy tech, and deteriorating economic conditions have put a damper on expectations the metaverse will drive meaningful revenue anytime soon.

"What many people are coming to realize is that this transformation is farther away," said Matthew Ball, a venture capitalist and author of a book about the metaverse.

Tech companies have been slashing jobs and abandoning projects deemed nonessential. Mr. Zuckerberg, who championed the metaverse as the next iteration of the mobile internet a mere 18 months ago, dubbed 2023 "the year of efficiency." His company laid off 11,000 employees in the fall and said this month that it would cut a further 10,000 positions and various projects, including some that are based in its metaverse division, the Journal previously reported.

"A lot of companies and businesses understandably feel like if they need to reduce head count or spending overall, this kind of category would seem to be a pretty easy tar-

get," said Scott Kessler, a tech-sector analyst at research firm Third Bridge Group. Investments in artificial intelligence promise returns in the nearer term, he said.

Even at the height of the metaverse craze, some tech executives were less enamored with online realms. "I want to try and work on technologies that bring people's heads up—get them to enjoy the real world," David Limp, senior vice president of devices and services at Amazon.com Inc., said at The Wall Street Journal's Future of Everything Festival last year.

Meta has spent billions of dollars trying to build out the metaverse since changing its name. But its flagship app, Horizon Worlds, struggled to gain and retain users within the first year after the renaming, according to internal documents viewed by the Journal. Sales of its Quest 2 virtual-reality headsets, which are used to access Horizon Worlds and other virtual-reality apps, were also down in the most recent quarter, the company said.

Mr. Zuckerberg isn't walking away from the metaverse. "The two major technological waves driving our road map are AI today and, over the longer term, the metaverse," he said last month. On that call, "AI" was mentioned 28 times. The word "metaverse" was mentioned on seven occasions. Meta didn't respond to a request to comment.

The pivot at Disney comes amid its recent leadership change and restructuring. Chief Executive Robert Iger returned to the company in November and has started slashing costs. The company last month said it plans to cut 7,000 jobs and reduce costs by \$5.5 billion.

Mr. Iger succeeded Bob Chapek as CEO, who in early 2022 appointed the leader of the division that explored metaverse strategies. At the time, Mr. Chapek told employees that the goal was to "create an entirely new paradigm

Expensive hardware and glitchy tech have put a damper on companies' hopes.

for how audiences experience and engage with our stories." Disney didn't respond to a request to comment.

Microsoft also bet big on the idea of online digital realms, though struggled with implementing that vision. In addition to shutting down AltSpaceVR, the company's work on augmented-reality headsets was plagued by problems, the Journal reported last year. The company has since restructured the HoloLens team and trimmed its budget, the Journal has reported.

Microsoft said it "remains committed to the metaverse" with both hardware and software tools.

Smaller companies such as Decentraland and the Sandbox where users have been able to buy virtual land and build their own worlds have seen some of the most success so far. But even so, land sales are down. The median price per square meter in Decentraland has dropped from about \$45 a year ago to \$5, according to data from WeMeta, the firm that tracks the sales.

A spokesperson for the Decentraland Foundation, which oversees the platform, said land sales aren't indicative of user growth. A spokesperson for the Sandbox said all of the new land they've put up for sale over the past six months has sold out.

Despite a broad reduction in metaverse engagement, the online realms can still draw eyeballs. Decentraland, which saw a 25% decline in active users from November to January, is seeing an uptick this week from Metaverse Fashion Week, an event where brands such as Dolce & Gabbana are participating, according to DCL Metrics, a site that tracks users in the digital realm.

"Hype around the metaverse has receded. But we should not mistake this for a lack of progress," said Mr. Ball, the venture capitalist who is bullish on the metaverse. "Change isn't that fast."



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WORLD NEWS

Beijing Deploys Its Graft Hunters Abroad

By CHUN HAN WONG
AND KEITH ZHAI

China is dispatching anticorruption enforcers abroad to chase down fugitives and recover stolen assets, a new extension of Beijing's international reach aimed at strengthening Chinese leader Xi Jinping's crackdown on graft.

The Communist Party's top antigraft body and other government offices tasked with tackling corruption have begun stationing officials in some Chinese embassies, where they would coordinate with foreign authorities on law-enforcement matters, among other duties, according to people familiar with the plan.

These anticorruption inspectors mainly would be based in countries where corrupt Chinese officials are likely to have stashed large amounts of illicit funds, such as members of the Group of 20 nations, said one of the people. The Central Commission for Discipline Inspection, the anti-graft body, has pledged this year to increase cross-border efforts in fighting corruption, particularly across countries that participate in Mr. Xi's Belt and Road Initiative to build global trade infrastructure.

The deployments come as Mr. Xi renews demands to entrench the far-reaching anticorruption crackdown that he has directed since taking power in 2012. Chinese authorities say they have retrieved nearly 10,700 suspects from abroad during Mr. Xi's first two terms as party chief, including more than 60 of China's 100 most-wanted economic fugitives. But CCDI officials say investigators face a tougher task in trying to solve outstanding cases and deter more sophisticated offenders.

The presence of anticorruption officials in Chinese embassies risks raising alarm in host countries. In Western capitals, concerns have grown about Chinese security forces trying to conduct law-enforcement duties beyond China's borders.

It couldn't be determined what specific activities the anticorruption inspectors would engage in. Some are likely to be dispatched as legal attachés, the same title Chinese police officials typically adopt when they are sent abroad as liaison officers to foreign governments, said one of the people.

Stationing CCDI officials in embassies as law-enforcement liaisons seems to be an attempt to legitimize this agency abroad and its alleged use of extralegal techniques to force fugitives to return to China, according to Laura Harth, campaign director at human-rights group Safeguard Defenders. Such deployments could have "severe effects on the enjoyment of rights and freedoms" of people who are potential targets of the CCDI, she said.

The CCDI didn't respond to a request to comment.

As the vanguard in Mr. Xi's withering decadelong crackdown on corruption, the CCDI plays a major role in Beijing's campaign to pursue economic fugitives who have fled China, block the outflow of ill-gotten money from the country, and recover stolen assets.

The CCDI has sought cooperation with foreign law-enforcement agencies for these operations, though Chinese officials often have struggled to get Western counterparts to help detain and repatriate suspects, in part due to lack of extradition agreements with major powers, as well as Beijing's alleged use of extraterritorial tactics in trying to retrieve suspects.

China has signed extradition treaties with about 60 countries, though more than a dozen of these pacts haven't been fully ratified. Some 10 European Union member states—including France, Spain and Italy—have agreed to pacts.

China has said that many fugitives accused of corruption and financial crimes use countries in North America and Europe as havens, and called on those governments to repatriate more of these suspects.



Wang Yi, China's most senior diplomat, center, presided over a meeting between Saudi and Iranian officials in Beijing this month.

Riyadh Bolsters Ties With Chinese

By STEPHEN KALIN
AND SUMMER SAID

DUBAI—Saudi Arabia is strengthening its commercial and security ties with China, as U.S. influence wanes in the Middle East.

The Saudi government approved partial membership in the Shanghai Cooperation Organization, a political and security bloc that includes China, Russia and India, the Saudi state news agency reported Wednesday. The decision comes ahead of a May meeting of foreign ministers from the regional grouping, where Iran recently gained full member status.

The move is part of a broad effort in Saudi Arabia and some neighboring Persian Gulf countries to expand diplomatic partnerships beyond traditional Western allies in a marked pivot to the east, analysts say. It comes amid uncertainty about Washington's long-term commitment to ensure security in the strategic, energy-rich region, where the U.S. has been a dominant force for decades but is increasingly

focused on a rising China and a belligerent Russia.

In a sign of the geopolitical realignment under way, Saudi Arabia re-established diplomatic relations with rival Iran this month in a deal brokered by China that burnished Beijing's credentials as a new power broker in the region. The Saudi kingdom also is nearing a deal to restore ties with Syria following negotiations mediated by Russia.

The SCO historically has had a heavy focus on regional security cooperation, and accelerated Saudi interactions with China and Russia there risk backlash from the U.S., which is wary of its traditional security partners in the region cozying up to its global rivals.

"By engaging with these U.S. rivals, it really does seem like this multipolarity is in full-bore here now," said Jonathan Fulton, an expert on China-Middle East relations and non-resident senior fellow at the Atlantic Council think tank in Washington. "We're seeing what a less U.S.-centered Gulf or Middle East looks like."

Analysts say China isn't trying to replace the broad American role in the Middle East, where the U.S.'s continued military presence is unrivaled, but could chip away at its supremacy in the region.

Saudi Arabia and China are building on ties that, until now, were firmly rooted in en-

'We're seeing what a less U.S.-centered Gulf or Middle East looks like.'

ergy and trade, as Beijing's oil imports swelled in the past three decades in line with its expanding economy.

Saudi Crown Prince Mohammed bin Salman, the kingdom's de facto ruler, and Chinese leader Xi Jinping spoke by phone on Tuesday, reaffirming their strategic relationship which Mr. Xi said was in "the best shape of all time," Chinese state media said.

China is Saudi Arabia's top trading partner. Besides oil, business has expanded to include large contracts for Chinese construction companies, widespread adoption of Chinese technology despite security concerns and the transfer of military hardware. China is also helping the Saudis fabricate uranium yellowcake, which is needed for a nuclear-energy program or nuclear-arms capability.

Earlier this week, the two countries signed major deals that saw state-owned oil giant Saudi Aramco take a \$3.6 billion stake in Rongsheng Petrochemical Co. Ltd. to expand its downstream presence in China and join with Norinco Group and Panjin Xincheng Industrial Group to construct an integrated refinery and petrochemical complex in northeast China.

The refinery and petrochemical complex is expected to produce 300,000 barrels a day at a cost of 83.7 billion yuan, or \$12.2 billion. The announcements coincide with Russia overtaking Saudi Arabia as China's main oil supplier in the first two months of 2023.



Vice President Kamala Harris, seen in Ghana on Tuesday, pledged to double down on courting investment.

U.S. Urges Africa Investment To Counter China's Reach

The Biden administration is pushing hard for American businesses to invest in Africa despite the obstacles they face there, more than a decade after

By Alexandra Wexler
in Johannesburg
and Annie Linskey
in Accra, Ghana

China began expanding its economic and political ties with countries across the continent.

Vice President Kamala Harris pledged on Tuesday in Ghana's seaside capital to double down on efforts to bring billions of dollars in investments to Africa, a continent many Western investors still view as high risk. Ms. Harris is the highest ranking in a string of top White House and Biden administration officials to travel through Africa this year, promising to unlock American investment as the U.S. and China look to tap into the continent's vast natural resources.

But U.S. and other Western investors often cite corruption, poor infrastructure and still-rampant poverty, all of which preclude easily operating across dozens of countries that all have their own rules and market peculiarities.

U.S. interest in expanding influence on the continent comes as tensions and competition with China are rising. In the Democratic Republic of Congo, for example, Chinese companies have spent over a decade and billions of dollars buying out U.S. and European miners in the country's cobalt and copper belt. Experts say the U.S. has a lot of ground to make up, especially in areas of strategic importance, like securing supply chains for materials such as battery metals, critical for the energy transition.

"The Chinese system is a lot more centralized, and state power plays a much larger role," said Cobus van Staden, Johannesburg-based managing editor of the China-Global South Project, formerly known as the China Africa Project, a nonprofit. "The Chinese view on Africa has been very opportunity focused. There is this very strong focus on risk in the U.S. private sector, to the exclusion of all of the opportunities."

The U.S. financed roughly \$14 billion of projects on the continent from 2007 to 2020, while comparable Chinese institutions financed about \$120 billion over the period, according to an analysis by Oyintar-

elado Moses, a data analyst with the Global China Initiative at Boston University's Global Development Policy Center, using data from the U.S. government and the Chinese Loans to Africa Database.

Ms. Harris's trip follows visits to Africa by Secretary of State Antony Blinken, Treasury Secretary Janet Yellen and U.S. ambassador to the United Nations Linda Thomas-Greenfield this year, but U.S. officials still face institutional hurdles to counter Chinese economic dominance on the continent.

"In terms of perception, I think [the U.S. is] doing everything right," said Gyude Moore, senior policy fellow at the Center for Global Development and Liberia's former Minister of Public Works. The stumbling blocks that remain include a lack of available infrastructure financing from the U.S., easier access to higher education in China for Africans versus the U.S., and concerns that this U.S. push into Africa might be episodic, he said.

On Wednesday, Ms. Harris announced about \$1 billion of new programs and investments aimed at empowering African businesswomen—much of it from foundations.

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FROM PAGE ONE

GameStop Rethinks Its Plans

Continued from Page One

cord its first profit in two years, but revenue declined by 1%. Meme-stock investors were thrilled, and GameStop shares, which had declined by about 70% since Mr. Cohen took over as chairman in June 2021, surged that day by more than 40%.

Other stockholders expressed concerns that GameStop still hadn't hit on a formula for growth. "This is a risky stock," said Kevin Yousif of Yousif Capital Management in Bloomfield Hills, Mich., which holds a \$1.3 million stake.

Some of the Grapevine, Texas, based company's troubles stem from the same pandemic forces that hurt other retailers. Former GameStop executives and analysts said Mr. Cohen also miscalculated what its customers were willing to buy through its website and app.

Many videogamers now buy and download games directly over the internet, which has cut deeply into GameStop's store-oriented business. Mr. Cohen's plan was to boost the company's online presence and expand its offerings beyond new and used videogames on discs.

In 2021 and 2022, the company cycled through a series of new products, including televisions, scooters and non-fungible tokens, or NFTs. Most fell flat.

Last year, through early December, e-commerce sales fell to less than half of what they were in the year-earlier period, according to an internal document reviewed by The Wall Street Journal. Over that period, e-commerce accounted for only about 10% of GameStop's overall sales.

"Quarter after quarter we were unsuccessful with new ventures," said Ted Biribin, GameStop's former director of marketing analytics, one of dozens of employees laid off last summer. "If something didn't work, senior leadership would go onto something else very quickly."

Mr. Cohen and other executives declined to comment for this article. In the past, they have said it would take time to remake GameStop into a consistently profitable company.

Store reliance

GameStop is now back to relying more on its bricks-and-mortar stores to support its shrinking e-commerce business. It is using the stores as mini fulfillment centers, where employees package and mail online orders to local customers and customers come in to pick up their purchases.

"Our stores, in particular, are a differentiator that will

help us maintain direct connectivity to customers and position us to have localized order fulfillment capabilities across more geographies," GameStop Chief Executive Officer Matt Furlong said last year in an internal memo reviewed by the Journal.

Mr. Cohen, 37 years old, gained a reputation as a retail wunderkind by co-founding online pet-supply retailer Chewy Inc. He remains GameStop's chairman and still owns around 11% of the company. He has invested more recently in other old-school retailers: Bed Bath & Beyond Inc. and Nordstrom Inc.

"It's hard to turn around a brick-and-mortar retailer that's under the kind of pressure that GameStop was and continues to be," Mr. Cohen said late last year in an interview with GMEdd.com, a site for GameStop individual investors. "But that was also part of the attraction going into GameStop."

He said he overcame similar challenges at Chewy, which he co-founded in his mid-20s and sold to PetSmart Inc. for \$3.35 billion in 2017. "Selling 30-pound bags of pet food in the mail was also very unpopular, and we figured it out," he said.

Mr. Cohen's Chewy sale left him with a pile of money and the self-confidence to match. In late 2020 he bought close to 10% of GameStop's shares, ridiculed its management and called for a complete overhaul away from what he called its outdated videogame stores.

GameStop had been struggling as people switched from buying games in boxes to downloading them from digital stores. Mr. Cohen argued that if GameStop wanted to avoid the fate of Blockbuster and Tower Records, it should bet big on e-commerce.

Meme-stock investors piled into the stock, bidding it up more than 20-fold in the early months of 2021. They aimed to punish hedge funds that were selling it short. They called their leader "Papa Cohen."

Mr. Cohen joined GameStop's board in January 2021 and was chairman by that June. He filled most of the board with his chosen directors.

He lured from Amazon.com Inc. a new CEO, finance chief and operating chief, and began assembling an experienced team to build a new network of warehouses and modernize operations.

Eventually, dozens of e-commerce veterans from Amazon, Chewy and online discounter Zulily LLC joined GameStop. Within months, the company revamped its mobile app and website, and it opened a new fulfillment center in York, Pa., and a customer-service facility in Florida. GameStop paid off its long-term debt using a portion of the more than \$1.6 billion it raised from two stock offerings.

The company shortened online-order deliveries to two days, from four or five. In anticipation of a surge in orders,



GameStop Chairman Ryan Cohen, below, had hoped to turn the company into an e-commerce powerhouse. Now it is refocusing on its stores. One of its New York City stores, above, in October.



it planned a new warehouse in Reno, Nev.

In 2021, GameStop closed nearly 250 of its stores.

In an effort to appeal to a broader swath of consumers, GameStop started selling products such as beanbags, Nerf guns, smartwatches and gaming chairs. It was hoping to ride the tsunami of e-commerce spending triggered by so many people stuck at home during the pandemic.

Instead, it slammed into supply-chain issues. Christmas 2021 was the first big test of the new e-commerce model. The company had ordered shipping containers of new products for the holiday season, but many didn't arrive in time, according to some of the former executives.

Among the new offerings that didn't sell were televisions. GameStop was losing money on each marked-down TV it sold online. Selling large screens in its small stores wasn't an option because they

took up too much space, the former executives said.

In March 2022, GameStop reported its first-ever holiday-quarter loss and an inventory balance that had increased more than 50% from a year earlier.

The truckloads of televisions kept coming. They didn't sell. The company ended up donating some to charities.

Reggie Fils-Aimé, a former Nintendo Co. executive who was on GameStop's board until Mr. Cohen took over, said at the SXSW conference in March 2022 that the company had lost its way. "Go on the GameStop website, try and find a strategy," he said. "There is no articulated strategy."

In May 2022, GameStop hired as chief operating officer Nir Patel, a department-store veteran who had years of experience with retail turnarounds working at Kohl's Corp., Lands' End Inc., Target Corp. and other outlets. He replaced Jenna Owens, who had joined

the retailer from Amazon in March 2021 but had left by that October.

As losses continued to grow, Mr. Cohen met that month with Mr. Furlong and instructed him to abandon the e-commerce plan, shore up cash and focus on stores, which would go back to fulfilling most online orders, according to former executives. Mr. Cohen told his management team to identify employees to lay off, the former executives said.

Job cuts

Last July, Mr. Furlong told corporate employees that the company, which had added more than 600 people in 2021 and early 2022 to bring its total to more than 12,000 full-time, salaried workers, was making job cuts. An internal memo reviewed by the Journal said the company needed to help "keep things simple and operate nimbly."

Mr. Biribin, the former marketing-analytics director, was among those laid off. He said Mr. Cohen had persuaded him to leave Chewy to join GameStop. He decided he had made a poor decision when the e-commerce push ran into problems. At one point, he said, delivery bottlenecks were so bad that inventory was sometimes blocking warehouse doors.

Other GameStop executives left voluntarily last year, including the chief growth officer; vice presidents of fulfillment and supply chain systems; and the senior vice president of customer service. All had joined the company the year before.

Last July, GameStop's board told the remaining leadership team to find ways to get out of leases on two of its warehouses, according to some for-

mer executives. Plans to open the Reno facility were scratched, and the team opted to close another warehouse in Shepherdsville, Ky.

That same month, as its e-commerce efforts struggled, GameStop launched an online marketplace for buying and selling NFTs, which are digital certificates of ownership of digital goods.

The timing was bad. Global NFT prices and trading plummeted late last year. The volume of transactions in GameStop's NFT marketplace fell from nearly \$13 million in July to about \$600,000 in January, according to DappRadar, a blockchain-analytics firm.

"The mistake he made is he didn't hire anybody from the gaming industry and he wasted time and money with NFTs," said Jefferies Financial Group analyst Andrew Uerkwitz of Mr. Cohen. "At the end of day, gaming is going fully digital. They're chasing a smaller and smaller consumer."

In late August, GameStop shifted its focus back to its bricks-and-mortar roots, telling employees at its stores it planned to reward thousands of them with stock and pay raises. Mr. Cohen tweeted that day about "store leaders" with a heart emoji.

GameStop called the stores the cornerstone of its brand and said it would be using them as mini fulfillment centers for e-commerce.

In the three months through last October, GameStop recorded its seventh quarterly loss in a row. Sales of hardware and collectibles such as toys and trading cards increased from a year earlier, but

GameStop tried a series of new products, including TVs and NFTs.

sales of its core products—new and used games—fell.

GameStop has laid off more employees since December, including about 50 from the e-commerce customer-service center it shut down this month and about 20 in the department supporting its NFT business.

Last year, the company disclosed that it reduced annual expenses by more than \$100 million.

After GameStop announced the recent quarterly profit, some analysts noted that the company hadn't yet figured how to stop the slide in gaming-software sales.

Mr. Furlong didn't address that issue, but indicated that more job cuts will come this year in Europe, where the company is looking to exit some countries.

"We are taking a number of steps in fiscal year 2023 to improve our efficiency," he said. "We want stockholders to judge us on our results instead of our words."

Neighbors Battle University

Continued from Page One

the street from Ryan Field. "We're usually asleep by then."

Northwestern has a complicated relationship with its host city, a community so opinionated some call it "The People's Republic of Evanston." Two decades ago, the school and city landed on a list of the nation's worst town-gown relationships.

Friction is rising again as the university seeks a zoning change for a new, \$800 million complex. Northwestern has raised hundreds of millions of dollars and launched a public-relations campaign with a descriptive if not exactly catchy tagline: "Rebuilding Ryan Field: A once-in-a-lifetime opportunity to transform lives in Evanston."

Plenty of neighbors would prefer their lives remain untransformed.

More than 1,000 people have signed a petition calling for city leaders not to rubber-stamp the project. Signs dot front yards deriding "Mega-Concerts" and "Profiteering."

Opposition research has fueled accusations of NIMBY hypocrisy by a wealthy Northwestern trustee and stadium supporter who himself fought a construction project near his



A rendering of Northwestern University's proposed new football stadium. The plan has upset some neighbors.

Martha's Vineyard summer residence.

Underlying the drive for the new complex is an amenities arms race that dominates American higher education.

Northwestern, an exclusive university that charges tuition about \$62,000 a year, has spent about \$1 billion over 10 years erecting glittering buildings along its private Lake Michigan shore, drawing comparisons to Emerald City from "The Wizard of Oz."

Concerts and other nonfootball events are needed to help cover the new stadium's cost, Northwestern says. But it needs a zoning change from the city to be able to host con-

certs. Without the change, the project might not go forward.

Proponents include hotels, restaurants and fans. The school estimates the local economic impact of the construction and operation of the stadium at \$1.2 billion by 2031. A university-commissioned poll reported 2-to-1 support for the new facility.

Supporter Steve Starkman, co-owner of Mustard's Last Stand, a hot dog shop by the stadium, says Northwestern has bent over backward to appease cranky neighbors, including lowering the volume of a wildcat growling during games.

Mr. Starkman, who is 56,

said complaints about fans urinating on lawns and bushes after games are exaggerated and happen only when Northwestern hosts Ohio State.

Wisconsin fans party very hard but are "nice and respectful," he said; Michigan State fans are "brilliant, lots of doctors and judges"; Michigan supporters are "ruffians" but generally well behaved; Iowa's are the friendliest in the Big Ten, and Nebraska's fans are the most likely to arrive in pickups.

"Ohio State fans are the only problem," Mr. Starkman said. "They have a monster following, and they think the world is their bathroom."

Asked about that, Ohio State declined to comment.

Sonia Cohen moved into a home a few streets away from the stadium 30 years ago. Over the years, she attended just one football game, but tracked the schedule so she could navigate the congestion.

The 68-year-old retired business-systems analyst joined a group to fight and research the plan. She came across a letter concerning a dispute 1,000 miles away in Massachusetts. It was written by Peter Barris, chair of Northwestern's Board of Trustees and chairman emeritus of venture-capital firm New Enterprise Associates.

Across the water from Mr. Barris's Martha's Vineyard home, which Zillow values at \$24 million, sits the Harbor View Hotel, a landmark with rooms that go for up to \$2,200 a night.

A new owner has expanded the bar and restaurant. Neighbors including Mr. Barris have asked local government to rein that in.

"Although our residence is a mile away by road it sits directly across the harbor," Mr. Barris wrote in 2021. "Sounds are very efficiently carried across the water, particularly when the winds are blowing out of the north." His request: "Protect us from the unbridled development that puts at risk the very things that brought us here in the first place."

Ms. Cohen emailed the letter to fellow activists. "At first I thought it was a parody," said one, David DeCarlo.

Mr. Barris said his objections about the hotel were unrelated to his duties with Northwestern.

"The surfacing of this personal circumstance, which is distinctly dissimilar to Northwestern's proposal, is an attempt to distract from our goals—to transform a century-old stadium into a community asset that will benefit all of Evanston and create one of the finest stadiums in the country," he said by email.

Northwestern is doing everything it can to address neighbors' concerns, said Dave Davis, its executive director of neighborhood and community relations.



FROM TOP: ILLUSTRATION BY JOHN KRAUSE; DANIELLE THOMAS

goodies to families we met at the end of a trip.

And many travelers leave unwanted items in the room in hopes the housekeepers will enjoy them. (Many hotels have rules against housekeepers accepting freebies, directing them to send anything left in the room to Lost and Found.)

Dr. Wayne Baker, an author and management professor at the University of Michigan's Ross School of Business, says the impulse to pay it forward has been around since "there have been people on earth." He recalls years ago a fellow hotel guest departing Spain leaving behind his bottled water with a note saying he hoped it would help with the heat.

The difference now? Social media. "It can be very well-organized and be a much broader network of people involved in it," he says.

Luck of the draw

Finding free items you want or need on vacation can be a craps-shoot. I was in Las Vegas over the weekend and hoped to connect with someone donating leftovers for this column. I encountered just one offer during my one-night stay, from a guest checking out of the Cosmopolitan: a half-full bottle of Tito's vodka. I passed.

Sometimes the competition for stuff is stiff, even if you run the group. Mrs. Erickson says she whiffed last year on one of the best stashes she has seen: liquor, a case of water, brownies, cupcakes and more.

Tammy Vanderford, who works in government contracting in Moore, Okla., has given and received vacation leftovers.

A couple of years ago, she gave away a half bottle of Jack Daniel's Single Barrel Select to a fellow guest at the Cosmopolitan who saw her post in the Facebook group. She scoffs at negative comments in the group that pop up whenever anyone lists or picks up an open bottle of liquor or accepts items from a stranger.

"I would say that 99.9% of people that leave stuff, whether it's been open or not, just want to pass it along," she says. "It's good intentions."

Mrs. Vanderford, 56, says she picked up a cooler full of Coke and bottled water from a departing Cosmopolitan guest on another Vegas visit minutes after it was posted in the group.

"Vegas is expensive, and if you can run down the hall and grab their leftover water, potato chips and coffee, you probably saved yourself \$40 or \$50," she says.

Her money-saving ways only go so far. She has passed on freebies at hotels that were too far away from where she stays.

"I'm not going to haul an ice chest full of potato chips and Cokes across the crosswalks," she says.

Travelers Pass Along Leftovers

There's a hidden ecosystem of free stuff like food, diapers, sunscreen for those looking to save



CARRY ON DAWN GILBERTSON

Danielle Thomas dashed off one last Facebook post from Las Vegas on the way to check out of her hotel last week. It wasn't like her others.

Instead of nightclubs and a desert ATV tour, she featured a pile of Doritos, Cheetos, orange juice, coffee creamer and water bottles stashed next to a vending machine on the 16th floor at the Horseshoe Las Vegas hotel. They were leftovers from a Walmart delivery to her room at the start of her trip.

The 38-year-old financial account representative from Alabama offered them free in a Facebook group created to help travelers save a little money when prices are high, and to reduce waste.

The idea behind giveaway groups like Freecycle or Buy Nothing that started in neighborhoods has evolved to travel. It has created an ecosystem within these pay-it-forward movements where travelers pass on free stuff at the end of a trip by sharing the loca-

tion of the loot on social media. "We all get tired of paying \$6 for a bottle of water," Mrs. Thomas says.

A surprise perk

Several Disney timeshare resorts have their own similar Facebook groups. Departing guests put strollers, diapers, food, drinks, sunscreen and other items up for grabs. People in groups dedicated to Yellowstone National Park trips offer leftover bear spray and other essentials.

A Facebook group called Las Vegas Pass It On Baby has amassed nearly 28,000 members.

The trend is newer in Las Vegas. Kerry Erickson, a caregiver from Des Plaines, Ill., started a Facebook group called Las Vegas Pass It On Baby in 2021 and has amassed nearly 28,000 members.

Mrs. Erickson, 40, says she saw the need for a group dedicated to free stuff after noticing people offering up leftover goodies in a pop-

ular Las Vegas travel planning group on Facebook. She says the idea solidified when she roamed the halls of the Flamingo Las Vegas handing out an assortment of extra soda, alcohol, fruit, chips and paper plates. Strangers gobbled everything up quickly.

The page started slowly but has taken off. Visitors have offered everything from Jell-O shots and leftover slot machine vouchers worth pennies to running shoes and fans. One poster was giving away a fan she bought to drown out her husband's snoring.

Marijuana, which is legal in recreational quantities in Nevada, gets mentioned a lot, but Mrs. Erickson reminds members to adhere to Facebook's community standards in such postings.

Coffee makers are among the most popular Vegas freebies, she says. Some travelers bring them from home or buy them in town, since most casino hotels there don't offer in-room coffee.

"People don't like to get up in the morning and go downstairs to



Danielle Thomas posted to a Facebook group that she had left food in the hall of her Las Vegas hotel.

Starbucks and pay \$15 for it," she says.

The practice of sharing stuff you can't or don't want to bring home from vacation isn't new. When my kids were young, we regularly donated pool noodles, snorkel gear, beach chairs and other

MY RIDE | A.J. BAIME

Memories of Family Pile Into 1968 Torino

Ali Faile, 49, a healthcare executive living in Mount Pleasant, S.C., on his 1968 Ford Torino, as told to A.J. Baime.

My parents, Bob and Jo Faile, got married in March of 1967, in Winnsboro, S.C. That fall, my father went to the Adams Motor Co. Ford dealership, where his father worked in the service department, and bought a Ford Torino. I have a picture of the original bill of sale, dated Oct. 3, 1967, with a cost of \$3,038.50.

Shortly after, my parents went on a road trip to New Orleans. The car has a bench seat so they could sit close together. They took turns driving and, later, my mother told me that the windows rattled at 90 mph. I have this mental image of her at age 20 driving this new Torino 90 mph down some back road in Florida.

The car was a 1968 model Torino, which Ford debuted that year as a trim level for the Ford Fairlane. That first year, David Pearson won the Nascar championship driving this model Ford.

Six years after

my parents got this car, I came along. Growing up, I would help my father work on the car. I remember pumping the brakes while he bled the brake lines. We did a moderate restoration in the '80s. My father had the interior redone with original stock material that he somehow sourced. He would take the Torino to car shows; his favorite was Rock Around the Clock in Winnsboro. He would park the car in front of where the Adams Motor dealership used to be, and talk to friends that he grew up with.

Fast forward many years and he finally retired. His health was failing. I had only driven the Torino once or twice, but those cars don't like to sit. We would go for cruises together and I would drive. In 2019, he



had to relocate to a skilled nursing facility. I was able to take him for one more ride after that. He wanted to see his mother (she is 100 now).

There is one thing I remember about that moment. We pulled up in the driveway where she was living. He was in a wheelchair and he worried that his mother would be worrying about him. So when she came out, he stayed in the car so she wouldn't see the

wheelchair. I have a picture of the moment, because I felt maybe that would be the last time they saw each other. I was right.

Soon after, Covid came. This was a painful time for people living in assisted living homes and their families. I was not allowed inside, so I would park the car outside my father's window. He would tell the nurses how he had driven the Torino off the showroom floor in 1967. We lost him soon after. I always knew this car would someday be mine, but I wasn't ready for it when it came.

Recently, I started to work on it in earnest. At times, it has been a comedy of errors. Since my grandfather worked in the service department at the dealership where this car was sold, I had moments where I wished he was there to answer

'Growing up, I would help my father work on the car,' Ali Faile says of his 1968 Ford Torino.

questions. I have a collection of his tools from the 1930s, '40s, and '50s that I use. Let me tell you, when you pick up a socket wrench from 1938, that thing is solid.

Sometimes I wonder what is going to happen to the Torino. I have two daughters. Will they be interested? What happens when internal combustion engines are gone, and people don't know how to work on them anymore? But, for now, the car runs great. I love the connections that it makes. You find yourself talking to strangers who have their own stories and want to know yours. That is just one of the many reasons why I love knocking around in this old Ford.



The 302-cubic-inch V-8 engine puts out 210 horsepower, the car's original brochure says.

PERSONAL JOURNAL.

By KAILYN RHONE

First came the social-media influencer. Now some aspiring influencers are finding it more profitable to assist others in the industry.

Many young Americans dream of making a living off creating YouTube, TikTok or Instagram content. Yet being an influencer doesn't always mean an easy supply of free swag, trips and brand-endorsement deals. Few come close to the earning power of TikTok stars such as Charli and Dixie D'Amelio or the most popular videogame streamers on Twitch, who earn millions annually. Even small changes to a platform's algorithm can derail a creator's visibility, and income, overnight.

The hurdles to building a profitable personal brand online have spurred a cottage industry of influencer helpers, many of them one-time influencers who say they have found a more pragmatic way to be a social-media entrepreneur and do what they love.

There is more consistent money in supporting social-media creators with services such as video editing, content strategizing and matching them with promotion-seeking brands, say many influencer helpers. Plus, there is a steady crop of influencer hopefuls who need their expertise, they add. In a 2022 survey of 1,000 18- to 25-year-olds, 27% said they planned to be an influencer. Drawn by the allure of profiting from their favorite pastime and avoiding the strictures of a more corporate career, nearly 15% said it was the only career choice for them, according to HigherVisibility, a company that helps businesses elevate their online presence and that conducted the survey.

Being an influencer helper is less risky, says Ethan Weems, 20 years old, who expanded beyond TikToks of his daily adventures delivering food for DoorDash and Uber Eats to launching his own video-editing business last June.

For influencers who earn modest money from their content, he says, "that external service is great to have" to boost monthly income and gain entrepreneurial skills.

Mr. Weems, who has 17,500 TikTok followers, has earned a few hundred dollars from a fund that TikTok set up to encourage creators, as well as a couple of thou-



There's Money Behind The Camera on TikTok

sand dollars in sponsorships. He realized he could turn his editing skills into a potentially bigger business while editing one of his videos.

"My favorite process in creating was always the postproduction," he says. He landed his first client, sports-betting YouTube and TikTok personality Matt Tanner, who goes by the handle Matty-betts, by giving him a monthlong free trial to prove his skills.

With a handful of clients now, Mr. Weems estimates he earns between \$3,000 and \$4,000 a month, and more during football season. In all, he says he has earned about \$30,000 from social-media work since last summer.

It is unclear how big a share such consultants account for in the influencer-marketing industry,



Top: Amaya Damme matches influencers with brands. Below, Ms. Damme during a content photo shoot.

which is estimated to grow to \$21 billion this year, according to Influencer Marketing Hub, a resource platform for social-media creators and advertisers. But they have become an essential part of the social-media creator ecosys-

tem, says Aaron Dinin, a Duke University professor whose course on building social-media audiences has become so popular he now offers a shorter, online version available to the public.

"Creators are everywhere, so the infrastructure to support creators has to exist everywhere," says Dr. Dinin.

In his class, some students work in groups where one is the creator and the others help by spotting trends, making adjustments to lighting and clothing, and editing video and audio. It is reflective of how influencer businesses operate in real life. Once an online brand starts to grow, it requires a team to produce content at the quality and frequency brands expect.

"I refer to these students as be-

ing on an 'ops team,'" he says.

Amaya Damme, 22, started her social-media marketing business, Obtaining Social, in 2020 after her marketing internship ended abruptly because of the Covid-19 pandemic. Struggling to find another internship, she began pitching herself to small businesses, offering to produce content for their social-media accounts. Like Mr. Weems, she worked a month without pay for her first client, a spray-tan business, to persuade its bosses to sign her on.

She eventually branched out into helping influencers, too, matching them with brands she works with for modeling gigs or marketing campaigns. For a recent project, for a company launching a line of zodiac-sign-inspired phone cases, Ms. Damme recruited several young female influencers for a 21st-birthday-themed photo shoot to be featured in a month's worth of TikTok and Instagram content for the company.

Nearly three years in, Ms. Damme says she earns an annual six-figure income—not as an influencer per se but still creating marketable social-media content. "If I'm going to make money, it's going to be through actually something I'm very passionate about and hard work," she says.

AI Begins to Transform Office Jobs

By GRETCHEN TARRANT

As ChatGPT and other generative artificial intelligence programs infiltrate workplaces, white-collar jobs are transforming fast, according to a panel of executives who addressed thousands of professionals and job seekers at Tuesday's WSJ Jobs Summit.

"AI is the next revolution and there is no going back," Melissa Werneck, executive vice president and global chief people officer at Kraft Heinz Co. said.

As long as AI has existed, so have the predictions that it could disrupt—and someday replace—blue-collar work. Now, most jobs will be changed in some form by generative pretrained transformers, or GPTs, which use machine learning based on internet data to generate any kind of text, from creative writing to code, according to a new study by researchers at the University of Pennsylvania and OpenAI.

"Every month there are hundreds more job postings mentioning generative AI," said Julia Pollak, chief economist at ZipRecruiter Inc., an online marketplace for job seekers and employers.

The challenge is how to adapt to the rapidly evolving role of AI in office work, the panelists said.

Be willing to adapt

One thing leaders from sectors including retail, e-learning and consumer packaged goods agreed on is this moment's level of uncertainty.

Several executives mentioned inflation, political tensions and fears of a potential recession. Jeff Maggioncalda, chief executive of Coursera Inc., said that amid all the chaos, there are opportunities to improve the workforce.

"The way things have been done in the past aren't necessarily the way they need to be done today," he said, adding that workers and employers should invest in retraining

and upskilling where possible.

People who are willing to experiment should come out ahead, said Ms. Pollak.

Work with it

The jobs of the future will require a mind-set shift for employees, several executives said. Rather than viewing generative AI and other machine-learning software as a threat, workers should embrace new technology as a way to free them from

likes, and adjusting recommendations accordingly.

United Airlines Holdings Inc. aims to use AI to do transactions that shouldn't require a human, such as placing someone in an aisle or window seat depending on their preference, or suggesting a different flight for someone trying to book a tight connection, said Kate Gebo, executive vice president of human resources and labor relations. That leaves employees free to have more complex interactions with customers.

AI can do everything

Workers—and bosses—would be wise to remember that AI can't replace a human touch, several executives stressed.

Sima Sistani, CEO of WeightWatchers parent company WW International Inc., said services intended to help customers solve emotional problems require solutions a machine can't provide.

"AI is not sentient. It can't be emotional. And that is the kind of accountability and reciprocity that is needed...for people to have the outcomes that we're hoping to provide," she said of the weight-loss and lifestyle company.

Ms. Werneck of Kraft Heinz said that what is keeping her up at night is figuring out how AI can be co-piloted by talented people, instead of becoming something that runs on autopilot, replacing people.

"My advice is be curious, research it, try to understand how it can be used," she said.

At Yelp Inc., employees are experimenting through internal pilot projects to see what ChatGPT could be used for, without eroding trust with consumers and employees.

"Certain business processes could be enhanced," said Carmen Orr, Yelp's chief people officer, adding that there are plenty of concerns, too. "We don't want it for high human-touch things."



'Every month there are hundreds more job postings mentioning generative AI.'

—Julia Pollak, chief economist at ZipRecruiter

less-rewarding work.

"The level by which we can all operate will be enhanced by virtue of technology," said Donna Morris, Walmart Inc.'s chief people officer. "This is a huge opportunity to advance a lot of professions—allow people to do work that's, frankly, more stimulating."

Malaika Myers, Hyatt Hotels Corp.'s chief human-resources officer, said she doesn't see AI replacing workers anytime soon, but expects it to better serve and engage consumers. For the hotel chain, that could look like using AI to determine which brand of wine a guest

ROLEX

OYSTER PERPETUAL DAY-DATE 40

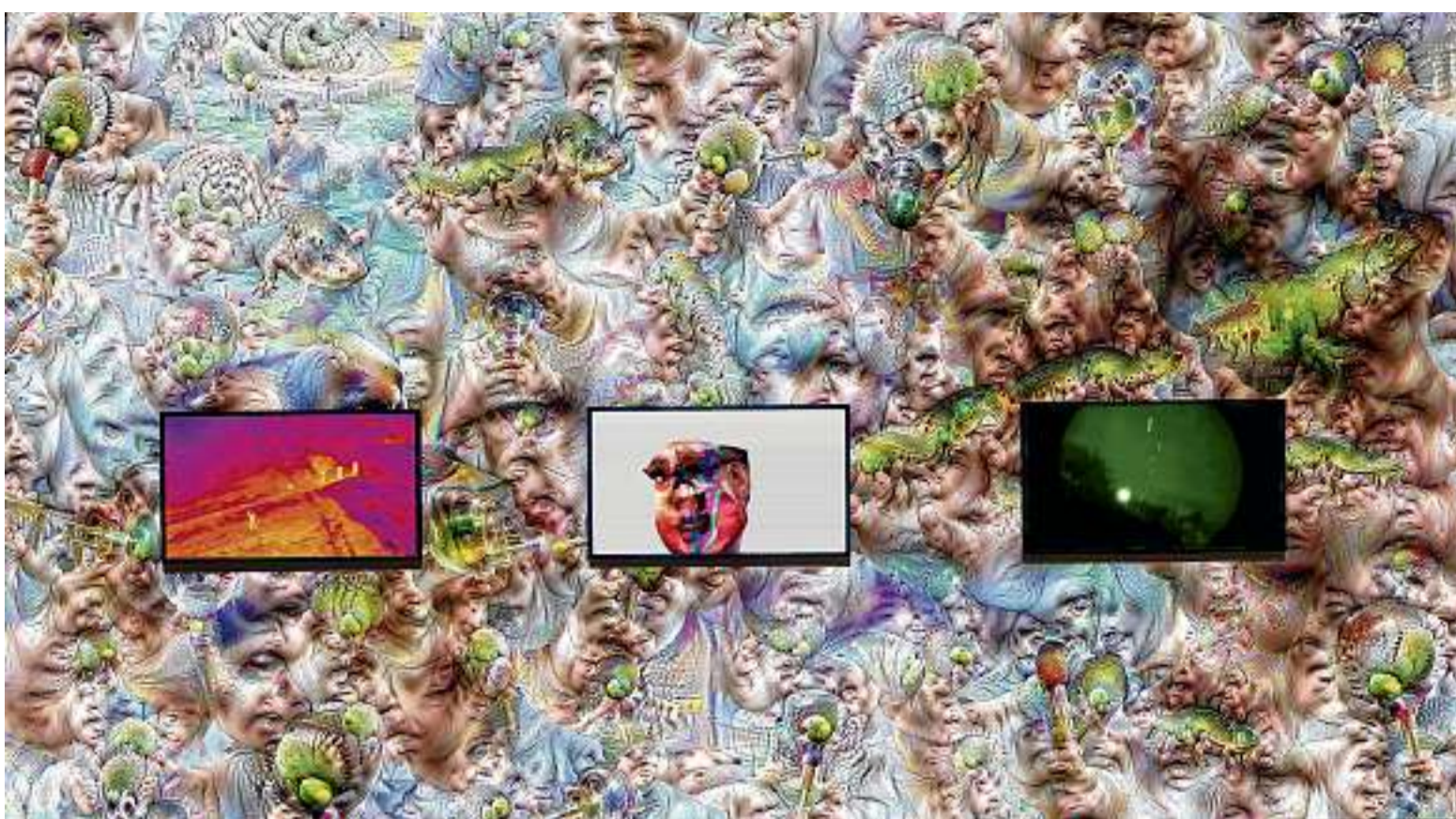
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ARTS IN REVIEW



BY LANCE ESPLUND

ART REVIEW

The Evolution of the Art-Technology Tango

Whether you view the exponential incursion of new media as cause for celebration or concern, check out three concurrent group shows if you're at all curious about the past six decades of tech-driven art: "I'll Be Your Mirror: Art and the Digital Screen," at the Modern Art Museum of Fort Worth, Texas; "Signals: How Video Transformed the World," at New York's Museum of Modern Art; and "Refigured," at New York's Whitney Museum of American Art. Areas surveyed include animation, artificial intelligence, augmented reality, cyberspace, nonfungible tokens, social media, virtual reality and computer, digital, multimedia-installation and video art, as well as interdisciplinary genres that blur the distinctions among technology, painting and sculpture.

Embracing our increasingly mediated and digitized world, all three exhibitions worship more at the altar of technology than of art. The most ambitious and multimedia among them is "I'll Be Your Mirror." Organized by the Modern's Alison Hearst, it comprises about 70 artworks by some 50 artists and collectives. Divided into nine thematic sections, it examines the history and impact of the screen—the "black mirror"—on art and society.

Its pioneering artworks include Nancy Burson's gelatin silver prints (1978), which predicted how a person's face will change with age—revolutionizing the F.B.I.'s ability to search for long-missing children. Computer-generated drawings by Frederick Hammersley, from 1969, and Harold Cohen, from 1982, herald a section here of "digital abstractions" by Cory Arcangel, Wade Guyton, Jacqueline Humphries, Laura Owens and John Pomara—soulless pictures whose processes of creation eclipse the creations themselves.

Elias Sime's rhythmic, e-waste abstraction, "Tightrope: Contrast" (2017), woven from reclaimed, multicolored electrical wires; and Trevor Paglen's "Bloom" series (2020-21)—AI-generated prints resembling photographs of flowers—fare better aesthetically. And affecting are Cao Fei's "Asia One" (2018), a feature-length video exploring the subjects of isolation, loneliness and automation in a Chinese shipping warehouse; and Hasan Elahi's diaristic mural, "Thousand Little Brothers v7" (2022). Suspected of terrorism, Mr. Elahi was detained, probed and put under surveillance for six

Zach Blas and Jemima Wyman's 'im here to learn so :))))))' (2017), top; Rachel Rossin's 'The Maw Of' (2022), above; Nam June Paik's 'Good Morning, Mr. Orwell' (1984), right

months after 9/11, inspiring him to produce an enormous, "self-surveilled" composite of 32,000 photographs documenting everyday places and things—streets, buildings, rooms, beds, meals and toilets—he encountered over the next 12 years. Sobering, it distills a life lived into a pixelated tsunami of monotony and repetition.

Korean-born American artist Nam June Paik (1932-2006), the father of video art, headlines in both "I'll Be Your Mirror" and MoMA's "Signals"—the latter of which presents four different edits of "Good Morning, Mr. Orwell," Paik's engaging, revolutionary, pop-culture video montage that aired live transnationally on New Year's Day 1984. Unfortunately, technological art is prone to technological difficulties. In Fort Worth, Paik's "Video Flag Y" (1985), incorporating 84 television sets, was blank and mute when I visited: "currently under repair." Instead, a QR code allowed you to view a similar art-



work by Paik, at the Los Angeles County Museum of Art.

Though informative and diverse, "I'll Be Your Mirror" has less artistic than historic merit—like touring a museum of bygone times and technologies past. Occasionally, as with Gretchen Bender's "Total Recall" (1987), the show resembles a bank of televisions playing vintage commercials and MTV videos at a 1980s Best Buy; or, sadder still (Andy Warhol's "Andy2," from

1985), a thrift store's stockpile of office-tape computers.

MoMA's "Signals"—buzzing, whirring and flashing—is slicker, sexier, higher-tech and more dynamic. A mostly in-house retrospective curated by MoMA's Stuart Comer and Michelle Kuo, it offers more than 70 works of video art from the 1960s to the present by over 60 artists and collectives. "Signals" investigates not the history or aesthetic merit of video art

but, according to MoMA, the ways in which artists champion and question video as "an agent of social change."

"Signals" dives deep into video art as a social and political force or tool. It features Videofreex's "Women's Lib Demonstration NYC" (1970); Dara Birnbaum's "Tiananmen Square: Break-In Transmission" (1990); Carlos Motta's "We Who Feel Differently" (2012), a series of LGBTQIA+ interviews; and Frances Stark's "U.S. Greatest Hits Mix Tape: Volume I" (2019)—six video compilations of historical footage of U.S. military interventions (from Syria, 1949, to Venezuela, 2019).

Despite its high-minded focus, however, what "Signals" really excels at is paying homage to our love affair and obsession with the medium itself—from yesteryear's cathode-ray-tube monitors to today's computerized, handheld black mirrors. Walking through this show, I swooned—not at the quality of the works but at the variety and seductive sophistication of their installation. "Signals" artfully swings from the bare-minimalism of Amar Kanwar's "The Torn First Pages" (2004-08) to the full-on cacophony of Stan VanDerBeek's immersive "Movie-Drome" (1964-65)—an audiovisual collage inside a large metal grain-silo. What "Signals" actually signals is that MoMA is more than willing and able to grant new media center stage.

The surveys "Mirror" and "Signals" bring us up to the present, whereas the Whitney's "Refigured"—a boutique show comprising five interdisciplinary, contemporary installations by six artists—plunges viewers into the digital now. On view in the Whitney's free lobby gallery and organized by Christiane Paul, it "refigures" art in both virtual reality and as sculptures existing in physical space. Most of its artworks are web-based, animated and/or interactive. (These interactive installations, waiting to be engaged, tend to idle restlessly.) Its most appealing work is Zach Blas and Jemima Wyman's provocative video "im here to learn so :))))))" (2017), which "resurrects"—as an avatar in a digital afterlife—Microsoft's short-lived and inadvertently racist, homophobic and antisemitic AI chatbot, Tay, from 2016.

The three shows, combined, illumine where we are, how we got here and where, perhaps, we're heading. They underscore the pros and cons of art and technology as bedfellows. Sometimes, it's logistics: cutting-edge light-and-sound artworks have the initial ability to wow us, yet they often distract from and interfere with other art. But the bigger issue—existential in nature—is digital art's inborn anxiety and paradox. Technology moves exponentially fast. Whereas traditional modes of art—paintings, drawings and sculptures—can gradually attain a timeless quality, tech-driven artworks are fated to become anachronisms, outmoded relics of their eras. This inescapable fact creates a melancholic aura of looming obsolescence that hangs over even the most up-to-the-minute artworks on view.

I'll Be Your Mirror: Art and the Digital Screen

Modern Art Museum of Fort Worth, through April 30

Signals: How Video Transformed the World

Museum of Modern Art, through July 8

Refigured

Whitney Museum of American Art, through July 3

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



!Mediengruppe Bitnik's 'Ashley Madison Angels at Work' (2023), above; Marta Minujin's 'Simultaneidad en simultaneidad' (1966), right



SPORTS

Caitlin Clark—A Must-See Shooting Star

The Iowa guard also excels at passing—and has led the Hawkeyes to the Final Four

By RACHEL BACHMAN

As last Sunday's NCAA Elite Eight game between the Iowa and Louisville women's basketball teams unfolded, the court at Seattle's Climate Pledge Arena seemed to become a Broadway stage with an invisible spotlight tracking one player: the Hawkeyes' Caitlin Clark.

When the curtain fell, Clark not only finished with a jaw-dropping 41 points in Iowa's 97-83 win, but she added 12 assists and 10 rebounds to produce the first official 40-point triple-double in an NCAA tournament game. (Assists didn't become an official stat until 1984.)

"She is spectacular," Iowa coach Lisa Bluder said. "I don't know how else to describe what she does on the basketball court."

On Friday, Clark and No. 2 seed Iowa face defending champion South Carolina in the Women's Final Four in Dallas. Clark's long-range shooting makes for an intriguing matchup with the No. 1 seed Gamecocks, who have racked up a 42-game winning streak with a dominant inside game.

So far, opponents haven't figured out how to stop Clark.

Clark's 'logo shot' started young

Clark's most striking skill is her ability to pull up from midcourt—which features a large team or tournament logo—and actually make shots that would be mere prayers from other players.

Clark has made 80 of 190 shots from beyond 25 feet this season, a 42.1% success rate. A large majority of players shooting as close as 22 feet, 1 1/2 inches—the 3-point line—aren't that accurate.

Clark's long-range skill forces defenses to make a tough choice: Let her shoot and give up a likely 3-pointer, or guard her and stretch the defense, leaving potential scorers open elsewhere.

As Steph Curry, the NBA's career leader in 3-pointers, told ESPN this



Caitlin Clark has made 80 of 190 shots from beyond 25 feet this season, a 42.1% success rate.

ones at practice, or after practice or before practice," Meyer said. "Kind of the challenge of it, I think. She loves the 'Wow' factor. She loves the tough shots. She loves when the crowd goes wild."

Clark can score on the drive—as well as pass

Clark had one triple-double her freshman year, five last season and five so far in this one. Her 11 career triple-doubles is the second-most all-time in the women's college game, behind Oregon's Sabrina Ionescu, who finished her career with 26 three seasons ago and is now with the WNBA's New York Liberty.

Clark has never ranked below third nationally in season scoring average—this year she's third, al-

though her 27.3-point average is her highest ever.

Meyer, Clark's high school coach, said Clark also excels at completing shots even while being jostled by the heavy traffic of a game.

"She just knows how to spin the ball and she knows angles really well," Meyer said. "So she was always really good about finishing, even when she was kind of pushed out of the lane or pushed out at a weird angle."

Clark's 8.6 assists per game leads the nation. Since her freshman year Clark has improved, "especially in being able to trust her teammates when she's getting double-, triple-teamed, whatever it is," said Megan Gustafson, a Phoenix Mercury center who was the 2019 AP national player of the year at Iowa.

"She can be at half-court, and she sees somebody, and she threads the needle all the way to the basket," Gustafson said. "She has quite the arm. So her strength there, and combine that with her ability to see things nobody else sees, is really fun to watch."

While Ionescu's college career was cut short when the 2020 NCAA tournament was canceled due to the Covid-19 pandemic, Clark, a junior, could play two more years. That's because pandemic delays gave winter-sport athletes in 2020-21 an extra year of eligibility.

Weeks ago, Clark told "The Dan Patrick Show" that she wasn't ruling out sticking around for an extra year, which would keep her at Iowa through spring 2025.

Clark calms herself, feeds off the crowd

Meyer, Clark's high school coach, said she's noticed that Clark is better at keeping her composure than she was a few years ago.

"Yes, she still gets frustrated at times with officials' calls, her play or things that happen on the court," Meyer said. "But she seems to refocus quicker and not allow it to negatively affect her play. Obviously her skills have continued to improve, but I've been really impressed with how her mentality has led to a higher level of play for her and her team."

A five-star recruit out of high school, Clark delighted home state fans by choosing the Hawkeyes. Iowa has long had a strong, well-supported women's team—Gustafson's 2019 squad reached the Elite Eight—but there seems to be a Clark effect unfolding. Attendance at Carver-Hawkeye Arena has jumped 60% since the year before she got to Iowa City, to more than 11,000 a game. Nationally, that ranks only behind South Carolina's 13,000 average.

In early March, Iowa fans packed the Target Center in Minneapolis, helping set a Big Ten women's basketball tournament attendance record as the Hawkeyes stormed to the title. Clark had a triple-double in the final: 30 points, 17 assists, 10 rebounds.

It's a longer drive to Dallas—about 12 1/2 hours—but with Clark on the court and Iowa with a chance to win its first national title, there's a good chance that many will make it.

"I think that's when I'm playing my best basketball, is when I'm having the most fun out of anybody on court," Clark said. "I love to play this game. I've dreamed of this moment since I was a little girl."

The WSJ Daily Crossword | Edited by Mike Shenk

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- 25 Weather alert level
- 26 Shopping aid
- 27 Soft yarn
- 29 Cooking qty.
- 31 "That feels great!"
- 32 "Dynamite" K-pop group
- 33 Wee amphibian
- 35 Pollock pairing
- 36 Scottish landscape sight
- 37 Dump
- 39 Theater separators
- 40 Furor
- 45 Pitchers' deliveries
- 47 Task-switching key combo on a PC
- 48 Frisbee maker
- 49 Studio stand
- 50 Covered with tattoos
- 51 Freeway divisions
- 52 High winds
- 53 "If I Were a Rich Man" singer
- 58 "Mission Bell" singer-songwriter Lee
- 59 Dollars for quarters
- 61 "Patience" virtue
- 62 "Dig in!"

PLAY ON! | By Freddie Cheng

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|---|--|--|--------------------------------------|
| Across | 28 Typography widths | 61 When some contests are resolved, and a hint to ending this puzzle's theme answers | 6 One might hover over a field |
| 1 Transient | 29 Ring setting, occasionally | 63 You might swim in one | 7 Lender's offering? |
| 5 Brothers' keeper, of sorts | 30 Tennis's Martinovic or Medina Garrigues | 64 "Later!" | 8 Sherlock's sister in a book series |
| 10 1966 Tony-winning role for Angela Lansbury | 34 Parliament members | 65 Juliet's answer to her nurse | 9 Just the same |
| 14 New or golden follower | 38 Ordinary winter job? | 66 Ransom in the auto business | 10 Underworld parties |
| 15 Carpentry tool | 41 Look keenly | 67 Confidence or cash, e.g. | 11 Modify, as a motion |
| 16 Centurion Card co. | 42 "Quit the teasing already!" | 68 Outdo | 12 "I was in the same pickle!" |
| 17 Archie Bunker, for some? | 43 Like bad reception? | Down | 13 Apply |
| 19 Honor in style | 44 Spoil | 1 Trek for the faithful | 18 Tiki bar order |
| 20 "Wednesday" star Ortega | 46 Burning rage | 2 Scary character | 22 "Die Another Day" studio |
| 21 ESPN football analyst Kiper | 48 Almost never conventional? | 3 "I was in your shoes" | |
| 22 Insignificant | 54 Andalusian dance call | 4 Weather alert level | |
| 23 ___ Fridays | 55 Brief name | 5 SFPD alert | |
| 24 Easiest gig ever in a Beckett production? | 56 Penny prez | | |
| 26 Angle symbol | 57 Clashing price | | |

Previous Puzzle's Solution

P	I	P	E	Y	A	N	G	U	R	B	A	N		
A	M	E	X	S	T	O	A	P	A	U	L	O		
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UConn Wins a Lot of Men's Basketball Titles—When It Makes the Tournament

By ROBERT O'CONNELL

MEN'S COLLEGE BASKETBALL has never left its gilded age. The same schools, with their iconic crests and always-flowing talent pipelines, fete themselves at Final Fours and collect trophies. UCLA, Kentucky, North Carolina, Duke, Kansas—more often than not, the list of a season's leading contenders matches the ledger of the game's historical powers.

Over the last quarter century, though, there has emerged a wildly uncouth—but undeniably effective—*nouveau riche* institution, a program that crashes its luxury ambitions into a ditch one year and finds itself hoisting a trophy the next. The Connecticut Huskies enter the 2023 Final Four as favorites to acquire their fifth championship in 25 years, having navigated a season's worth of turbulence to the grand stage.

"It doesn't surprise me at all," said Kemba Walker, the star of UConn's rags-to-riches 2011 team, which finished ninth in the Big East, won the conference tournament behind Walker's star turn, and rode momentum and his blink-quick jump shot to an NCAA championship. "You'd almost rather it be like that."

At the year's low point, in January, the Huskies had lost six of eight conference games, undoing an early-season rise up the AP rankings to fall nearly out of the Top 25. Then they recommitted to a simple formula: pummeling teams in the paint with wide-bodied forward Adama Sanogo, ping-pong the ball to marksmen Jordan Hawkins and Joey Calcaterra, getting their long arms spread on defense and their fast legs moving in transition.

A couple of days after UConn routed Gonzaga in Saturday's Elite Eight matchup in Las Vegas, 82-54—their fourth double-digit win in as many tournament games—coach Dan Hurley credited the turnaround to a process of self-discovery. "We have to be the hardest-playing team on the court," he said.

Connecticut's in-season roller coasters match its larger history. For Kansas (33 consecutive NCAA tournament berths) and Duke (who saw its streak of 24 straight end in 2021), championships are a byproduct of sustained top-tier status; enough one- and two-seeds eventually yield an ROI of trophies. UConn's title runs have happened during an era in which they have often

missed the tournament entirely, switched coaches and changed—then changed back—their conference affiliation.

UConn has made just seven of the last 13 tournaments and has a chance to come away with three titles during that span. If they cut down the nets in Houston on Monday, their five titles since 1999 will be two more than Duke and North Carolina, the next-closest schools, have managed.

Connecticut's chaotic on-court product has coincided with a period of off-court upheaval; maybe no athletic department in Division I sports has been shaken quite so vigorously by conference realignment. In 2013, the school became a part of the American Athletic Conference after it was shunned by the original Big East, which was doing away with football at a time when UConn wanted to keep its team intact. Seven years later, citing cherished rivalries and quality of competition, the Huskies returned to the Big East, deciding to make a go of it as a football independent.

"You can't rest on your laurels as a university or as a basketball program because you have a rich history or tradition," Hurley said. "This game has changed."



The Connecticut Huskies enter the Final Four as favorites to acquire their fifth title in 25 years.

FROM TOP: STEVEN GARCIA/ZUMA PRESS; STEPH CHAMBERS/GETTY IMAGES; CARMEN MANDATO/GETTY IMAGES

OPINION

Words That Cause Catastrophes



WONDERLAND
By Daniel Henninger

Are we ready yet to re-adopt the tried-and-true guide to life known as a mother's wisdom? Our current banking panic, and other tumultuous events of recent years, bring to mind one of mother's good ideas: Think before you speak. (A variation: Think before you speak—*dummy*.)

We know that in an era of instant media transmission ill-chosen words move well beyond a personal problem for the speaker. Loose talk can put in motion national and international catastrophes that may wreck lives, economies and political systems.

Biden and Trump ignore a mother's wisdom: Think before you speak—*dummy*.

Until a few days ago, Ammar al-Khudairy was one of the world's most powerful men, as chairman of Saudi National Bank. He resigned Monday, reportedly for "personal reasons." Not quite.

In an interview two weeks ago, as a banking panic was leaking out of California, Mr. Khudairy said the Saudi bank would "absolutely not" give more capital to on-the-bubble Credit Suisse bank. In hours, that Saudi "absolutely not" had Switzerland itself headed for collapse.

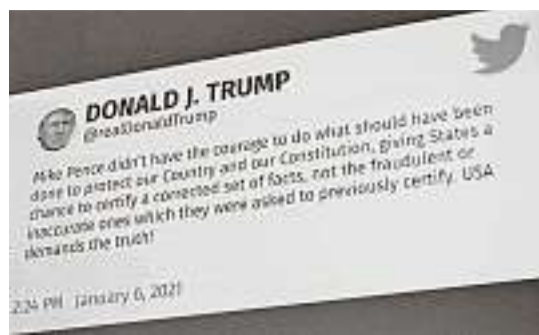
Suddenly, a bank panic that originated inside a navel-gazing boutique regional bank in Silicon Valley had jumped across the Atlantic to threaten one of the world's 30

"global systemically important" banks. Switzerland's national authorities quickly compelled its other major bank, the massive UBS, to swallow Credit Suisse.

Here's another fellow who never listened to his mother: Donald Trump. One must posit that despite, or perhaps because of, his habit of saying whatever enters his mind, Mr. Trump did get elected president of the United States. While Mr. Trump himself regrets nothing, much of the country likely regrets his compulsion to tweet, during the chaotic afternoon of Jan. 6, 2021, that "Mike Pence didn't have the courage to do what should have been done."

Mr. Trump was self-referencing his insistence that Vice President Pence, presiding at that moment over the U.S. Senate, should have voted to block certification of Joe Biden's victory in the Electoral College. Mr. Trump's legal culpability for that day aside, there is no doubt that the destructive forces put in motion on Jan. 6 were related both to his Pence remark and earlier statements about a "stolen election."

The aftermath has been unhappy for many pulled into the Trump verbal vortex. Hundreds of Jan. 6 defendants have federal crime on their records, including time in prison. Decisions later this year by special counsel Jack Smith, whose remit includes Jan. 6, could wreak havoc on the Republican presidential nomination process. On Tuesday a federal judge ruled that Mr. Pence must speak to the special counsel's grand jury. What a massive, avoidable political mess was created by



ain't beanbag. And no, we don't want to live in a world where everyone in public sounds like Alejandro Mayorkas explaining why the open southern border is secure.

Still, in the new-media era, public statements can become political ballistic missiles. Once fired, you can't call them back. In an interview last week with Fox News, Mr. Pence pointedly said that while the country is ready to return to Mr. Trump's policies, it also needs a more "civil environment" to succeed.

Mr. Pence deserves thanks for putting the problem of indiscriminate talk by national political figures on the table. He and other expected competitors for the Republican nomination already offer an interesting array of post-Trump presentation styles.

Florida's combative Gov. Ron DeSantis walks a fine line between welcome antiwoke belligerence and disruptive missteps, such as describing Ukraine's "territorial dispute" with Russia. Those two words earned him an invitation from Ukraine's foreign ministry to visit the war zone.

Nikki Haley is trying the hopeful in-flappability of the next-in-line generation.

In Iowa last month, Sen. Tim Scott delivered an intriguing, wide-ranging "new leaders" speech that managed to confront the opposition while offering openings to conciliation.

Sen. Scott cites his mother for much of his success. Think before you speak must have been in there somewhere. These days, it ought to be a voting issue.

Write henninger@wsj.com.

thought-free public words.

Democrats for their part would have liked to avoid those four years altogether. But one ill-tempered word uttered toward the end of the 2016 presidential campaign—"deplorables"—ended that chance. Hillary Clinton had put Pennsylvania, Michigan and Wisconsin in play.

Joe Biden routinely invokes the wisdom of his father, but "think before you speak" manifestly wasn't on dad's list. Mr. Biden's routine gaffes—numeration websites are devoted to tallying them—may be regarded as a joke, but they've put the Democratic Party in the awkward position of unifying around an incumbent president whose approval rating just hit 40%, according to Gallup.

You might say these mis-speakers are diagnosable outliers. But then one has to account for the recent case of Treasury Secretary Janet Yellen, a former Federal Reserve chair normally expert in the say-nothing ambiguities of Fed-speak. Across three days after the run at Silicon Valley Bank, Ms. Yellen, speaking for the president, first said the government would cover all bank deposits, took that back the next day and then remade the all-deposits commitment. Stressed financial markets bounced off the walls with every new statement.

Yes, everyone misspeaks. It remains true that politics

Put America First by Aiding Ukraine

By Karl Rove

Neo-isolationists on the right and left dismiss Russia's invasion of Ukraine as of little consequence to the U.S. To them, it's a territorial dispute between faraway countries. Some even allege that America is largely responsible for the war: By encouraging democracy's spread in Eastern Europe, the U.S. unnerved Vladimir Putin. It's understandable, they say, that the dictator then unleashed his military to subjugate Ukraine.

That's claptrap. Mr. Putin could have lived in peace with a democratic Ukraine just as Russia has coexisted for decades with neighboring democracies Finland and Norway. And the latter was one of the founding members of the North Atlantic Treaty Organization. The blame for this war's death and destruction lies squarely with the man in the Kremlin. It was Mr. Putin's ambition to reconstruct Russia's imperial empire that led Russia to seize Crimea in 2014 and invade the rest of Ukraine more than a year ago.

Well either way, the neo-isolationists argue, sending weapons and economic assistance to Ukraine takes away America's ability to meet our own needs. And, besides, we won't be affected by the war's outcome.

More claptrap. Ukraine's heroic resistance

to Russia, a power hostile to the U.S., has dramatically improved America's strategic position world-wide. The Kremlin has become far weaker, while NATO, which includes many of our most trusted allies, has become far stronger and more united than it has been since the Cold War. But if Russia prevails in the war, that progress would be reversed.

A Putin victory would also embolden some very nasty characters on the world stage, including North Korea's Kim Jong Un, Iran's mullahs and China's Xi Jinping. As NATO Secretary General Jens Stoltenberg argues, "Beijing is watching closely and learning lessons that may influence its future decisions. So, what happens in Europe today could happen in Asia tomorrow."

And Mr. Putin has made clear he'd prefer his bloody adventurism in Europe not to end in Ukraine. In addition to asserting in his July 2021 essay, "On the Historical Unity of Russians and Ukrainians," that the "true sovereignty of Ukraine is possible only in partnership with Russia," Mr. Putin suggested Lithuania, Moldova, Belarus, and parts of Poland and Slovakia were once integral parts of Russia. The strongman told us he wants to grab more territory, and several of his targets are NATO allies, which the U.S. has pledged by treaty to aid

with our armed forces if they're attacked. Neo-isolationists worry about what weapons and aid to Ukraine are costing America, but pulling our support risks American lives down the road.

There's more than our strategic interests at stake. A Europe threatened by an aggressive, resurgent and hostile Russia isn't in our economic

Besides being moral, it's in our strategic and economic interest to help stop Putin.

interests, either. The European Union bought \$349 billion of U.S. goods in 2022; our bilateral trading and investment relationship with the EU is the largest in the world. If Mr. Putin conquers Ukraine and demands fealty from European nations, it will result in fewer purchases of American exports.

You can bet Europe won't be importing much liquefied natural gas from Louisiana if Mr. Putin conquers Ukraine. The Continent will get its energy from the unchecked dictatorship to the east. And rather than Europe buying everything from computers and farm machinery to consumer goods and business services from the U.S., China and Russia would likely use their "no

limits" partnership to pressure Europe to buy from them instead. That would all cost American jobs and economic growth.

A Putin victory in Ukraine would also raise questions in Asia about America's resolve. Our allies there would likely strengthen trade and investment ties with China at America's expense. And if China invades Taiwan, say goodbye to the \$43.7 billion in goods America sold the island nation in 2022 and our imports of \$91.8 billion, mostly chips and electronic components. Remember when the Covid pandemic squeezed semiconductor supplies in 2020? This would be far worse.

And sending military assistance to Ukraine is good for our economy to begin with. Washington is largely paying for American workers to make the weapons, bullets, missiles and equipment we send.

If the U.S. abandons Ukraine after all its courage and sacrifice, it would be a strategic, economic and moral catastrophe that would reduce our influence around the world and damage our economy. Aiding Ukraine is putting America's interests first.

Mr. Rove helped organize the political-action committee *American Crossroads* and is author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

Hit Your Walk-Up Song Out of the Park

By Mike Kerrigan

Baseball's opening day is Thursday. If your friends are like mine, at some point they'll ask you what your batting walk-up song would be. My goal is to help you hit this question out of the park.

A batter's walk-up song is played as he walks from the on-deck circle to home plate. Though just a 15- to 30-second clip, the right song is important. Songs like AC/DC's "Thunderstruck" or "Narco" by Blasterjazz & Timmy Trumpet are conventional favorites for America's pastime—but we scrappy Americans didn't beat the spread at Yorktown by thinking conventionally. Dig in before answering, and think outside the batter's box.

Energize the batter, rattle the pitcher and pump up the crowd.

For the classic pro-batter ballad, opt for "Hip Hug-Her" by Booker T. & the M.G.'s. If ever "swing with easy confidence" has been expressed wordlessly in music, it's here. Listen and you'll feel 10 feet tall, even if you're rolling the

trash cans to the curb. This melody belongs in a ballpark.

To get to the pitcher, try "Cat's in the Cradle" by Harry Chapin. This unorthodox approach is more psyops than unsettling to the pitcher, but consider the following. From its poignant opening chords and haunting "can you teach me to throw?" lyrics, the tune would live rent-free in a fast-batter's head until his inevitable hit-the-shower send-off. But it's not entirely a precision strike. The home crowd will fall silent as dudes in the stands tearfully dial their dads.

Unlike Mr. Chapin's elegy, "Me and Julio Down by the Schoolyard" by Paul Simon is entirely for the fans. The science is settled that listening to

this song anytime makes you happier.

Which direction you go for your walk-up song depends on your appetite for risk. The first choice is moderate risk and the second is high; playing to the fans is lower risk. But remember the stakes: What would Gen. George Washington do?

Easy. He would give the boldest answer there is: "The Natural" by Randy Newman. It can motivate the batter, unnerve the pitcher and energize the crowd all at once. And since your at-bat is imaginary, you needn't worry about actual chin music being hurled at you. Play ball!

Mr. Kerrigan is an attorney in Charlotte, N.C.

BOOKSHELF | By Matthew Rees

Heaven Can Wait

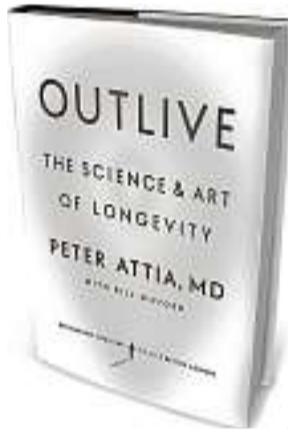
Outlive: The Science and Art of Longevity

By Peter Attia, with Bill Gifford
(Harmony, 482 pages, \$32)

Never mind a troubled banking system and wobbly stock market—there are other things to worry about. Not least, U.S. life expectancy is at its lowest point since 1996. Covid-19 contributed to the decline, but its effects were magnified by a trend that has been evident for years: elevated incidence of heart disease, diabetes and other ominous conditions, some exacerbated by an obesity epidemic that few public-health officials want to confront. Today people in the U.S. have shorter life spans than the citizens of nearly every other developed country.

What can be done about this state of affairs? That's the question insightfully addressed by Peter Attia in "Outlive: The Science and Art of Longevity." Along the way, he takes a critical look at the American healthcare system and at our not-so-salutary lifestyle choices. His intent is not to scold, though, but to improve our habits and health—to help us achieve a longer life.

Dr. Attia, an Austin, Texas-based, health-focused podcaster and former surgeon, begins with a kind of genealogy, tracing the evolution of medical knowledge through history—in part to help us grasp just where we are now and what the future might look like. What he characterizes as "Medicine 1.0" started with Hippocrates and lasted nearly



two millennia. It consisted of little more than observation and guesswork and "missed the mark entirely." "Medicine 2.0" began in the mid-19th century, with the germ theory of disease, and developed to include the scientific testing of cures as well as, in the 1920s and after, the discovery of penicillin and other potent antibiotics. Dr. Attia calls Medicine 2.0 "a defining feature of our civilization, a scientific war machine that has eradicated deadly diseases such as polio and smallpox."

As Dr. Attia ruefully notes, we're still living in the second age. For all its triumphs, Medicine 2.0 routinely fails to treat or cure many long-term conditions, including most forms of cancer. Modern doctors are trained to solve "the problems of an earlier era"—that is, acute illnesses and injuries with fairly short event horizons. For cancer patients, by contrast, we are "always coming in too late."

Treating patients after they've been diagnosed is Dr. Attia's central indictment of American medicine. "We ignore important warning signs and miss opportunities to intervene." He observes that the median age of a cancer diagnosis is 66 but that cancer (discovered too late) kills more people between the ages of 45 and 64 than heart disease, liver disease and stroke, combined. Like other health advocates, he pushes for early screening, particularly for colorectal cancer, since it is one of the easiest of the major cancers to detect. Indeed, "Medicine 3.0," the next era in medicine if Dr. Attia has his way, will be "proactive" and focus on prevention. It will also avoid one-size-fits-all treatment protocols of the sort that are common today.

Of course, the obstacles to longevity go beyond diagnosis timing and healthcare practices. Americans are plagued by heart disease, neurodegenerative aging and Type 2 diabetes partly because the standard American diet—shortened to SAD in Dr. Attia's narrative—contributes to each of these conditions. The dynamics of evolution add to the problem. In our ancestral past, Dr. Attia notes, it was wise to seize on nutrients when they were abundant, to improve the chances of survival. But the genes formed by evolution aren't suited to our present environment, in which many people "have access to almost unlimited calories."

Even so, Dr. Attia shies away from giving detailed dietary advice, beyond recommending that we not consume fructose-sweetened beverages (such as sodas and fruit juices). Instead he focuses on broad guidelines, such as ensuring that our diet—he prefers the term "nutritional biochemistry"—doesn't compromise muscle. One way to avoid muscular weakening, he says, is to consume double the amount of protein the federal government recommends.

We are stuck in an earlier era of healthcare protocols and health-related habits. A major reset is needed. Life spans may improve thereby.

Eating habits are less important to Dr. Attia than exercise, "our most potent tool for extending life span." He points to evidence showing that people who exercise regularly can live up to 10 years longer than those who are sedentary. One reason is that exercise benefits our mitochondria (the source of energy in the body's cells) and improves the way we metabolize glucose and fat. He cites studies (all of the book's claims are backed by abundant research citations) showing that exercise-based interventions have been more effective than several classes of pharmaceuticals in reducing mortality from coronary heart disease, diabetes and stroke. He features some unconventional measures of fitness, such as grip strength. It helps predict life span, he says, since it is an "indicator of general robustness and the ability to protect yourself if you slip or lose balance."

There is another aspect of our well-being that Dr. Attia addresses: emotional health. Getting our "emotional house in order," he says, is as important as getting a colonoscopy or some other diagnostic test, though it's "a lot more complicated." Here he transforms himself from physician to patient, describing the struggles he had in his teenage and college years ("off-my-rocker depressed") and, recently, the difficulties he faced with the advent of Covid and its restrictions. During one morning call, he "just snapped" and spun into "a radical, self-destructive episode," an event he conveys with admirable candor. ("I tore my T-shirt to pieces. I screamed.") He cautions that finding emotional equilibrium over time isn't easy. He practices something called dialectical behavioral therapy, which emphasizes controlling one's emotions. All such tools and strategies, he notes, "must be learned, and refined, and practiced daily."

So there is a good deal that each of us can do for ourselves, in Dr. Attia's telling, from consuming lots of protein to taking vigorous walks and monitoring our mental states—getting a grip, one might say. But most of us will eventually enter the healthcare system, and it is in this realm that new thinking is most needed. Dr. Attia's prevention-focused Medicine 3.0 is a promising place to start.

Mr. Rees is editor of *Food and Health Facts* and a senior fellow at Dartmouth's Tuck School of Business.

OPINION

REVIEW & OUTLOOK

The Heroes of Nashville

Monday's murder of six people, including three 9-year-olds, by a deranged attacker at a Christian primary school in Nashville is another sign of mental illness unleashed. Many on the left and right barely paused in horror before renewing the nation's culture wars on gun control and now transgender politics, not that any insight has been the result.

The heroes in Nashville were the police, who were on the scene quickly. With great discipline and courage, they entered the building, ran toward the shots, and killed the attacker once she was cornered. Two have been identified as Officer Rex Engelbert and Officer Michael Collazo. A timeline posted by the Tennessee says the attacker entered the elementary school at 10:11 a.m., shooting out the glass doors. A call to police came at 10:13.

By 10:23, officers were inside the school. They shot the attacker at 10:25. Metropolitan Nashville Police Chief John Drake told reporters that "someone took control and said, 'Let's go, let's go.'" The department has released body camera footage that is harrowing.

Waiting to confront the attacker was the mistake last year in Uvalde, Texas. Nineteen children and two teachers were killed. "Three minutes after the subject entered," the director of the Texas Department of Public Safety later testified, "there was a sufficient number of armed officers wearing body armor to isolate, distract and neutralize the subject."

Officer Engelbert is a four-year veteran of the Nashville department. Officer Collazo has nine years under his belt. News reports say that nei-

ther had been in this kind of situation before. Few cops have.

The cops who raced toward danger knew the lessons of Uvalde.

But this is what police officers all across America know is a possibility every morning as they put on that uniform and kiss goodbye to their wives, husbands and children. Going to work is an act of courage for those who spend a career without seeing an active shooter. For all the political focus on bad or abusive cops, most are good men and women who face potential danger to protect the rest of us.

On the left, the pat answer is always stronger gun control. President Biden has called again for Congress to ban "assault weapons." The Nashville shooter allegedly had an AR-15-style rifle, but that's also one of the nation's most commonly owned guns.

"About 1 in 20 U.S. adults—or roughly 16 million people—own at least one AR-15," the Washington Post says, and Americans use them for everything from hunting to home defense. The Nashville attacker could as easily have used another rifle or a handgun instead.

The shooter was being treated for an emotional disorder, and perhaps Tennessee could consider a "red flag" law in such situations. "Her parents felt like that she should not own weapons," Chief Drake said. But she hid the guns. After selling one firearm, they were under the impression "she did not own any more."

We'll no doubt learn more soon about her mental health and possible motive, including her history as a transgender former student of the Christian school. But there is nothing but madness in murdering 9-year-olds.

A Liberal Judicial Awakening?

Are liberals gaining new respect for the conservative judicial project to rehabilitate the separation of powers? See the amusing headline Tuesday from Vox: "Heartbreaking: The worst Supreme Court justice you know just made a great point."

The story praises a dissent by Justice Neil Gorsuch that criticizes a court-ordered prosecution of progressive martyr Steven Donziger. Readers may recall our editorials detailing how Mr. Donziger orchestrated a legal shakedown of Chevron over phony environmental crimes in Ecuador.

Chevron fought back against a \$9.5 billion Ecuadorian judgment in U.S. court and won. Federal Judge Lewis Kaplan in 2014 excoriated Mr. Donziger for judicial bribery, coercion, money-laundering and witness tampering, among other misconduct. Chevron won a constructive trust on all assets Mr. Donziger received from the Ecuador judgment.

But Mr. Donziger defied court orders to enforce the trust, so the court referred him to the U.S. Attorney to prosecute for criminal contempt. Federal prosecutors declined to do so. The court then employed its own special prosecutor and held a bench trial.

Mr. Donziger was convicted and sentenced to six months in prison. A divided Second Circuit Court of Appeals panel affirmed Mr. Donziger's conviction, but Judge Steven Menashi issued a powerful dissent. Mr. Donziger appealed to the Supreme Court, which this week declined to hear the case.

Justice Gorsuch writes in a dissent joined by Justice Brett Kavanaugh that the Court

should have intervened, explaining that "however much the district court may have thought Mr. Donziger warranted punishment, the prosecution in this case broke a basic constitutional promise essential to our liberty." He means the Constitution's separation of powers.

Justice Gorsuch gets new respect on the separation of powers.

"The Constitution gives courts the power to 'serve as a neutral adjudicator in a criminal case,' not 'the power to prosecute crimes,'" he writes, citing Justice Antonin Scalia. He adds that "the 'decision of a prosecutor . . . not to indict' is one that belongs squarely" to the executive branch.

The district court, Justice Gorsuch explains, assumed "the 'dual position as accuser and decisionmaker'—a combination that 'violat[es] the] due process' rights of the accused." Both court-appointed special prosecutor and the Justice Department defended the power of courts to employ special prosecutors, but their arguments are unconvincing.

"Who really thinks that the President may choose law clerks for my colleagues, that we can pick White House staff for him, or that either he or we are entitled to select aides for the Speaker of the House?" the Justice muses. He didn't persuade his colleagues to hear the case, but his advice to lower courts to carefully consider Judge Menashi's opinion might prevent similar violations in the future.

The liberal praise for Justice Gorsuch is welcome, though his logic in this case is entirely consistent with the separation-of-powers rulings by the conservative majority that progressives have so often slammed.

Biden Meddles in Israeli Politics

President Biden likes to say he's rebuilding American alliances, but he sure is selective about it. Woe betide the ally who runs afoul of American progressive opinion. Then Mr. Biden gives you the frenemy treatment.

That's certainly how he's treating the Israeli government as that country debates judicial reform, especially with his disdainful criticism of Israeli Prime Minister Benjamin Netanyahu.

On Monday the Israeli leader announced a pause in pushing the controversial reform, saying he'd seek a national "consensus" on the subject. But Mr. Biden still chose to lecture the foreign leader about the matter.

"Like many strong supporters of Israel, I'm very concerned. And I'm concerned that they get this straight. They cannot continue down this road. And I've sort of made that clear," Mr. Biden told reporters. "Hopefully the Prime Minister will act in a way that he is going to try to work out some genuine compromise. But that remains to be seen."

So much for giving Mr. Netanyahu credit for reaching out to the opposition to seek a compromise. Mr. Biden also took a gratuitous shot at the Prime Minister by saying the Israeli leader wouldn't be invited to the White House—"not in the near term."

Mr. Biden had to know how that would play in Israel, where the public pays great attention to the words of an American President. Asked at the same event if he is "interfering" in domestic Israeli politics, Mr. Biden said, "We're not interfering. They know my position. They know America's position. They know the American Jewish position."

What American Jewish position is that? As far as we can tell, American Jews are as divided

as Israelis on the judicial reform. As for not interfering, Mr. Biden also said Tuesday, referring to the judicial reform and Mr. Netanyahu, that

He lectures Netanyahu on judicial reform while staying silent on Iran.

"I hope he walks away from it." Mr. Biden can't even seem to get his advice to the Prime Minister straight: compromise on it or abandon reform entirely?

Perhaps we're expecting too much of an American President famous for his stumbles and incoherence. But Mr. Biden doesn't have to meddle in Israeli domestic politics. He's picking up the refrain from the American left that Mr. Netanyahu's elected government is somehow a threat to Israeli democracy. But if we've learned anything in recent weeks, it's that Israeli democracy is alive and well.

Mr. Biden's intervention makes us wonder if his real goal is to stir more trouble for Mr. Netanyahu so his coalition falls. He may worry that the Prime Minister is increasingly focused on Iran's progress toward becoming a nuclear power. And Iran is getting closer as it enriches uranium to ever higher levels, refuses to allow U.N. inspectors to look at suspect sites, and ignores international warnings.

But Mr. Biden has been mute about Iran's nuclear progress—perhaps because it underscores the failure of his two-year effort to cajole Iran to redo the 2015 nuclear accord. His diplomacy has achieved nothing except give Iran more time to develop a bomb and forge tighter economic and security alliances with China and Russia.

Mr. Biden has already alienated our friends the Saudis, who are busy hedging their American bets by getting closer to the Chinese. The President also isn't helping Israel, or U.S. security interests, by further roiling the domestic politics of America's best remaining friend in the Middle East.

LETTERS TO THE EDITOR

The Stanford DEI Dean's Generous Narrative

Stanford diversity dean Tirien Steinbach claims that the exercise of free speech is "necessary for democracy" and that she is "glad it was happening" at Stanford Law School ("Diversity and Free Speech Can Coexist at Stanford," op-ed, March 24).

But free speech didn't happen at Stanford that day. Qualifying the political bounds of speech might be a good de-escalation tactic, but it is also textbook censorship. Judge Kyle Duncan and many others lament not only the restriction of ideas and speech, but also the anti-intellectual and illiberal environments in top universities today that make a dean believe that censorship is necessary to maintain the peace.

VIKRANT SHARMA
Portland, Ore.

Most may dismiss Ms. Steinbach's question, "Is the juice worth the squeeze?" Not me. I'd wager that every DEI administrator uses the same rudimentary cost-benefit analysis. Is the "juice" (the salary, power and benefits attendant with being a DEI administrator) worth the "squeeze" (the preference for race, gender and sexual orientation over intellect, skill and competence)? Ms. Steinbach and her ilk's answer is yes.

SEAN HYNES
Roswell, Ga.

Normally I wouldn't comment on an event that I didn't attend. But what Ms. Steinbach forgets is that the video of the session at Stanford is available for all to see. To say the least, her version of events is a self-serving rewrite of what I saw on video. Having someone there to police interactions who doesn't de-escalate (which she claimed she did but didn't) has no value other than to

further that administrator's biases and encourage poor behavior and censorship.

PHIL SIEGEL
Austin, Texas

Ms. Steinbach clearly sees her role as some sort of mediator in a dispute between parties of equal standing in defense of free speech. But that wasn't the situation here. Stanford's own policies prohibit the disruptive behavior endured by Judge Duncan. As a university administrator, Ms. Steinbach is required to uphold those policies. Yet a cursory view of the video demonstrates her complicity. She makes a moral equivalence between Judge Duncan and the disruptive students.

She repeatedly and bizarrely asks him, "Is the juice worth the squeeze?" A better question is whether Stanford Law School is worth the price when lunatics are running the asylum.

CONAN M. WARD
Ponte Vedra Beach, Fla.

Ms. Steinbach poses the following question: "Is there a way that we can stop blaming and start to talk and listen to each other?" It's always helpful to know the facts before discussing something. I would require each Stanford student who disrupted Judge Duncan's appearance to read and review three of his circuit-court decisions and write opinions arguing both sides of each case. Students should then discuss these rulings with a law professor. Becoming attuned to the rigorous, studied process that informs federal circuit-court decisions might be a start toward lasting civility at Stanford Law.

PHILLIP RULAND
Newport Beach, Calif.

The Benefits, and Pain, of a Latin Education

Regarding Melik Kaylan's review of "Et Tu, Brute? The Best Latin Lines Ever" by Harry Mount and John Davie (Bookshelf, March 24): Latin was my favorite high-school class. Sixty years later, I remember sitting at the table while the Michigan winter roared outside. My mother would be working in the kitchen nearby as I haltingly translated the "dead language." A four-year student of Latin herself, she was an excellent tutor and could translate the dactylic hexameter of Virgil's "Aeneid" as if she were reading her grocery list. My father would occasionally pass by and say, "Did you get to 'Gallia est omnis divisa in partes tres' yet?"

I learned far more about grammar studying Latin than I did in English class. When I tackled Russian in college, I had much less trouble with the complex declensions and conjugations than did my English-only classmates.

The ability to read well and write clearly were of great benefit in my career. I've been labeled a grammar gadfly, which is fine. I can understand the difference between these two sentences: "My wife loves our dogs more than me" and "My wife loves our dogs more than I."

MICHAEL LEBUTT
Cheboygan, Mich.

I was a victim of the "you-must-study-Latin" 1950s. Mr. Kaylan's memory of being "seated at a wooden desk carved with the initials of previous sufferers" reminds me of the poem scrawled in my worn Latin textbook by some sufferer who had preceded me in Mr. Colthorp's Latin class. It read: "Latin is a dead language / Dead as dead can be. / First it killed the Romans / And now it's killing me!"

THOMAS O. MORGAN
Oviedo, Fla.

John Wick's Body Count and Cultural Decay

Kyle Smith's review of "John Wick: Chapter 4" ("Keanu Reeves Keeps Killing," Arts in Review, March 24) shows how truly degenerate our culture has become. Mr. Smith calls the movie "a punchy, bloody, slashing good time" and

cites a report that "John Wick has killed 299 people in his first three screen outings." The films aren't unique in glorifying nonchalant killing. Many films, video games, comics and media cash in on the market for fantasy butchery.

We are what we eat. With the encouragement of critics like Mr. Smith, our society consumes a relentless diet of cinematic carnage. It can't be good for our health, and we need film reviewers to point this out.

JAMES MCELLIGOTT
Manakin Sabot, Va.

Two Questions for Mr. Bragg

Regarding Kimberley Strassel's "Alvin Bragg's Whirlwind" (Potomac Watch, March 24): The question is not whether a Manhattan grand jury will indict a ham sandwich, but rather a baloney sandwich.

PETER DODGE
St. Augustine, Fla.

Mr. Bragg should ask himself: "Is the juice worth the squeeze?"

BILL PAMPUSH
Anoka, Minn.

The Chart-Topping TV Band

In the 1960s, The Monkees' fame far outpaced what Daisy Jones & the Six has accomplished ("A Fictional 1970s Rock Band Makes Its Way to the Top of the Charts," Page One, March 25).

Not only did the TV-series band have four albums atop the Billboard chart, but Billboard states that the group "set a record in 1967 that no other act has equaled: They became the first and only act to have four No. 1 albums on the Billboard 200 in a calendar year." Of course, which bands' music is better is another discussion.

JEFF MICHAEL
Pasadena, Calif.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"Have you tried turning it off and on?"

OPINION

The Korean Model for Taiwan

By Hu Ping
And Perry Link

Taiwan's President Tsai Ing-wen is visiting the U.S., but under the odd diplomatic protocol that governs U.S.-Taiwan relations, she isn't on a state visit or even a visit. Officials at the State Department and the White House are at pains to refer to it as a "transit."

When Richard Nixon and Henry Kissinger negotiated the 1972 Sino-U.S. Joint Communiqué in Shanghai, Taiwan's status was the most difficult issue. Beijing made some hard demands, which the American side neither accepted nor challenged, leaving room for "strategic ambiguity" in its support for Taiwan after the U.S. formally established relations with Beijing and broke with Taipei in 1979.

That approach was probably wise at the time, but stability would now be better served by an unambiguous American statement on the legality of the Taiwan government. The U.S. could recognize Taipei under a principle of "one country, two governments." That would fall short of supporting Taiwan independence and

In the 1990s, even Beijing abandoned its rejection of the 'one country, two governments' formulation.

wouldn't abrogate the "one China" principle on which Beijing has insisted since 1972. Instead, it would follow the evolution of Beijing's own approach to relations with Taipei.

In the Shanghai Communiqué, the Chinese side explicitly rejected "one China, two governments" in addition to these other formulas: "one China, one Taiwan," "two Chinas" and "an independent Taiwan." The Chinese Communist Party's position remained the same until the mid-1990s, when subtle changes began appearing.

In a speech in January 1995, President Jiang Zemin expressed "resolute opposition" to "two Chinas" and to "one China, one Taiwan," but notably made no mention of "one



President Tsai Ing-wen on a 2019 'transit' to the U.S.

China, two governments." A 1993 party white paper on Taiwan stated that China rejects the "two Germany" and "two Korea" solutions to the Taiwan issue, but another white paper, in 2000, maintained opposition to the two-Germany model but said nothing about opposing the two-Korea model. Since then, "one China, two governments" and "two Koreas" have been systematically missing from official speeches and documents. On a topic as sensitive as Taiwan, these minor shifts can't have been inadvertent. They meant something.

The Germany and Korea models were different. The East German Constitution of 1974 conceived of East Germany as a separate country, distinct from West Germany. By contrast, the constitutions of both North and South Korea see their governments as ruling part of a single Korean motherland. That is the "one country, two governments" notion that Beijing in the late 1990s dropped from its "resolutely oppose" list.

For Taiwan, a "Korean solution" would be a major advance. North and South Korea both allow the other to have diplomatic relations with foreign countries, to join the United Nations and other international organizations, and to play as independent teams in the Olympics and the World Cup. Beijing itself has

maintained diplomatic relations with both Pyongyang and Seoul since 1992.

To be sure, there would be objections on both sides of the Taiwan Strait. Some Taiwanese wouldn't want to live under a "second" Chinese government because they don't think of themselves as Chinese at all. But even for them, it would be hard to reject a "one country, two governments" arrangement because it would radically reduce the fearsome threat from Beijing that they live under.

The regime in Beijing has obvious reasons to insist on the illegitimacy of its counterpart in Taipei. The island is a vibrant democracy and has the world's 21st-largest economy but is an embarrassment to the Chinese Communist Party as a living refutation of the claim that democracy and Chinese culture are incompatible. "Uniting the motherland" has been crucial to the party's efforts to stimulate nationalism and to take credit as its champion.

Yet Beijing has shifted as practical needs have demanded. From the 1950s through 1970s, the regimes in Beijing and Taipei denounced each other as pseudo-governments; cross-straits commerce and movement were essentially zero. But beginning in the 1980s, increasing in the 1990s and mushrooming in the 2000s, exchange flourished, and so did prob-

lems that demanded joint efforts to address. The two sides have signed more than 20 agreements on investment, trade, exchange of personnel, fighting crime and other matters.

Such agreements normally are signed by governments, so cross-straits negotiations inevitably raised the thorny problem of how to do so while pretending not to. The answer—as with U.S.-Taiwan relations—was that each side launched a nongovernmental organization. On the mainland the Association for Relations Across the Taiwan Straits was born; on Taiwan it was the Straits Exchange Foundation. In Chinese the two are called "white glove" organizations, but everyone knows whose hands are at work.

In practice "one country, two governments" is already in place. In 2005 and again in 2011, think-tank scholars in mainland China made this point overtly and weren't punished for doing so.

In 2015 Xi Jinping himself did so. He agreed to meet in person with Taiwan's President Ma Ying-jeou, as a nominally equal counterpart. The two met in Singapore as "Leader of Taiwan" and "Leader of Mainland China." Both set aside official titles and addressed each other as *xiansheng*, or "mister." That Mr. Xi agreed to these terms suggests that he initiated them. No one could have forced him. (Mr. Ma this week became the first former Taiwanese president to visit the mainland.)

Beijing would surely denounce a U.S. move to recognize Taiwan; the party doesn't miss opportunities to bolster its prestige by stoking nationalism. But a more sober response could lie beneath the surface. It is hard to imagine that planners in Beijing have not anticipated the world's responses to the way its stance toward Taiwan has gradually shifted. In real terms, the change wouldn't alter the status quo so much as acknowledge it.

Mr. Hu is a Chinese dissident in exile and editor of *Beijing Spring*. Mr. Link is professor emeritus of *East Asian Studies* at Princeton.

Biden's Inflation Reduction Act Betrayal

By Joe Manchin

America is fast approaching another needless emergency—the raising of the national debt ceiling. This impending crisis isn't an accident but a result of the inaction of various actors who refuse to confront fiscal reality, sit down, negotiate and make hard decisions for the sake of our nation's future. While all parties have a responsibility to negotiate in good faith, recent actions make clear to me that the Biden administration is determined to pursue an ideological agenda rather than confront the clear and present danger that debts and deficits pose to our nation.

Our national debt stands at nearly \$31.5 trillion, or close to \$95,000 for every man, woman and child, and represents 120% of our gross domestic product. Annual budgetary deficits have averaged \$2.71 trillion since October 2019. Since Covid-19 began, we have added more than \$8 trillion to the national debt. Despite explicit direction from Congress to pay down our debt in the Inflation Reduction Act, the administration seems more determined than ever to pervert that law and abuse existing authorities to increase spending.

Instead of implementing the law as intended, his administration subverts it for ideological ends.

When President Biden and I spoke before Congress passed the Inflation Reduction Act last summer, we agreed that the bill was designed to pay down our national debt and shore up America's energy security. It was designed to generate \$738 billion in new revenue, with more than \$238 billion dedicated to debt reduction, the first serious piece of legislation in more than two decades that the Congressional Budget Office estimated would have done that.

Yet instead of implementing the law as intended, unelected ideologues, bureaucrats and appointees seem determined to violate and subvert the law to advance a partisan agenda that ignores both energy and fiscal security. Specifically, they are ignoring the law's intent to support and expand fossil energy and are redefining "domestic energy" to increase clean-energy spending to potentially deficit-breaking levels. The administration is attempting at every turn to implement the bill it wanted, not the bill Congress actually passed. Ignoring the debt and deficit implications of these actions as the time nears to raise the debt ceiling isn't only wrong, it's policy and political malpractice.

I believe the only person who can rein in this extremism is Mr. Biden.

The first step is for the president to sit down with fiscally minded Republicans and Democrats to negotiate common-sense reforms to out-of-control fiscal policy. While we can all acknowledge that raising the debt limit is an absolute necessity and Republicans shouldn't threaten otherwise, are we seriously to believe there is no room to negotiate? Does the federal government operate so efficiently and effectively that there truly isn't a dollar of waste, fraud or abuse? The second step is for Mr. Biden to instruct his administration to implement the Inflation Reduction Act as written and stop redefining its credits and other subsidies. That alone would save the American taxpayer hundreds of billions of dollars in needless spending.

Unless common-sense actions are taken now, America's energy security will not only be jeopardized, but we will soon approach a debt-ceiling calamity that is completely avoidable. What we must avoid is the typical Washington game in which Democrats attack Republicans and Republicans respond in kind. The American people are sick and tired of these games—and they should be.

Mr. Biden was elected to lead us all to solve problems. We can't allow them to be made worse by ignoring them. The president has the power, today, to direct his administration to follow the law, as well as to sit down with congressional leaders and negotiate meaningful, serious reforms to the federal budget. Failing to do so may score political points with left-wing partisans, but generations of Americans will ultimately pay the price. We must do better, and it starts with all of us working together and doing what is right for our nation.

Mr. Manchin, a Democrat, is a U.S. senator from West Virginia.

Students Flee, but the Money Keeps Coming

By Jeanne Allen

Opponents of educational choice programs often complain that they divert money from public schools. Proponents say that's good—that the fear of losing funds gives district schools an incentive to improve. In reality, a practice called phantom funding often gives failing schools money for students who don't attend.

In Pennsylvania and Massachusetts, the practice is called "hold harmless." The state funds districts based on the previous year's enrollment, regardless of how many students are enrolled at budget time. Before Covid, such provisions were in permanent effect in at least 12 states. The National School Boards Association reports that many more states adopted such policies temporarily to mitigate revenue losses from pandemic shutdowns.

In a 2022 audit, the school district of Philadelphia reported \$2.9 billion in education funding, slightly more after inflation than in the previous year, even though enrollment had declined 2%. Spending was up \$798 million since 2016, when the district had 16,000 more students and 3,000 fewer staff members.

Choice opponents also claim money is the key to better schools. So why isn't a windfall of per-pupil money helping? The Philadelphia Inquirer reports that Strawberry Mansion High School has seen enrollment plummet 88% since 2002. The district's allocation for 437 students was more than \$6 million in fiscal 2016, and nearly the same in 2020, when enrollment had declined more than 50% to 203. According to state data, only 9% of Strawberry Mansion students were proficient in reading and 2% in math in the 2018-19 school year, before the pan-

demic. The district as a whole? Its scores have declined since 2013 by between 10% and 20% depending on the grade and subject.

In Boston over the past five years, public-school enrollment declined by 14%, and 18% for black students, many of whom have

An argument against educational choice falls apart when you follow where the funding goes.

moved to charter schools. The state pays districts phantom funding of 100%, 60% and 40%, respectively, for the three years after students depart.

In fiscal 2024, Massachusetts will direct \$268 million to charter schools serving 10,558 students. Boston public schools will receive

\$45 million in phantom funding to make up for the loss of those students. In 2019, Boston reading and math scores fell to their lowest point since 2011, according to the National Assessment of Educational Progress.

In many states, students who switch from public schools don't bring all their funding with them. Instead, they typically enroll in other schools with only a portion of what is spent on district students. In Philadelphia, the district retains \$10,000 for every student who goes to a charter school. In Pinellas County, Fla., when a student uses his \$7,000 empowerment scholarship on a private alternative, \$11,000 stays in the district. So in addition to districts being "held harmless" when students depart, and getting reimbursed for the slice of funding they would otherwise lose when students leave, some are holding on to funding that should follow students to their new school.

My Weekly Covid Tests Continue

By Nicole Saphier

It's 2023, and I still have to take a Covid test every week.

While the Covid vaccines became available two years ago, my rheumatologist, dermatologist and primary-care physician all worried that the shot might trigger an inflammatory response that would exacerbate an existing autoimmune disease. I spoke with a member of the Pfizer scientific team, who suggested that with my autoimmune history I should consider a lesser dose of the vaccine. That wasn't an option at the pharmacies and hospitals that administered the shot, so I

reluctantly received the full doses.

Less than two weeks after the second dose, I experienced symptoms including painful nodular scleritis of my eyes and wrenching chest pain from pericarditis. Prior to the vaccine, injectable medications kept the autoimmune disease under control, with occasional flare-ups. After the vaccine, it took six weeks of intense treatment to resolve the pericarditis. Three months after vaccination, I contracted Covid. The symptoms were flulike and didn't result in the same inflammatory response.

So when the third, "booster" dose became available, I was determined not to get one, even after the state of New Jersey mandated it for medical workers in March 2022. My employer reviewed my medical record and granted an exemption—a condition of which was that I take a weekly Covid test. For 10 months that meant a PCR test. Late in 2022 the hospital system began allowing at-home rapid antigen tests. They are free of charge to patients for now but costly to insurance companies, which may stop covering them when the federal health emergency ends in May.

Events have obviated any justification for vaccine mandates. It was clear by July 2021 that vaccinated people can contract the virus, and the vaccines' efficacy plummeted when the Omicron variant took hold late that year. Three months after

the third dose, boosted and unboosted people transmitted the virus at the same level. This was evident as many of my colleagues were out of work with Covid while I had to provide a negative test to show up to work. My autoimmune symptoms continued to worsen, but the workforce was so diminished from the virus that taking a sick day for a non-Covid reason was a disfavored option.

I'm a doctor, and New Jersey still has an outdated vaccine mandate in place for medical personnel.

Testing precautions for surgical patients have been lifted, visitor restrictions have eased, and most places have removed mask mandates inside healthcare settings. When Gov. Phil Murphy signed the health worker booster mandate, he proclaimed: "Over the course of our Covid-19 response, we have always followed the science in decision-making, and this is no different." If so, it's past time to end this pointless mandate.

Dr. Saphier is director of breast imaging at Memorial Sloan Kettering Cancer Center in Monmouth, N.J.

THE WALL STREET JOURNAL.

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WORLD NEWS

Mexico Probes Possible Homicides in Fire

Video shows guards making no apparent attempt to unlock cells holding migrants

By JUAN MONTES
AND ANTHONY HARRUP

CIUDAD JUÁREZ, Mexico—Mexican prosecutors are investigating as homicides the deaths of at least 39 migrants in a fire at a detention center in the northern border city of Ciudad Juárez, authorities said Wednesday.

A surveillance video shows migrants trapped in locked cells as the fire erupted on Monday night, while two guards appear to make no attempt to release the detained men as smoke filled the detention area. The authenticity of the video was confirmed by Interior Minister Adán Augusto López.

"A serious crime was committed here," Public Security Minister Rosa Icela Rodríguez said at a news conference. Ms. Rodríguez said authorities had identified eight suspects including two federal agents, a state migration agent, and five staff members of a private security company.

Sara Irene Herrerías, special prosecutor for human rights at the federal Attorney General's Office, said arrest warrants were requested for four people Wednesday, including two Na-



Venezuelan Yelitza García and her son sit outside a migrant-detention center in Ciudad Juárez, Mexico, where a fire left at least 39 dead.

tional Migration Institute staff and a private security guard at the detention center.

"None of the public servants or private security guards acted to open the gates to the migrants who were inside with the fire," Ms. Herrerías said.

Prosecutors also requested an arrest warrant for a migrant identified by other detained migrants as the person who set the fire, the official added. Charges include homicide, causing physical injury and in the case of the migrant, damage to property, Ms. Herrerías said.

President Andrés Manuel López Obrador said early Wednesday that federal prosecutors are investigating possible negligence in the tragedy. "We're not going to hide anything and there will be no impunity," he said at a news conference.

Ms. Herrerías said that according to witness testimony, the fire started after 8:30 p.m. local time Monday when a small group of migrants collected mats and one of them set fire to them. She said the migrants mentioned a number of grievances, including that

they expected to be deported. Many of the migrants died from suffocation, according to a government official.

The detention facility, located close to one of the border bridges linking Ciudad Juárez to El Paso, Texas, is used to hold migrants apprehended because of their illegal status in Mexico as they attempt to cross the Rio Grande or jump the border fence into the U.S.

"I feel fear, anger, rage," said Abel Maldonado, a Venezuelan migrant who could barely hold back tears. He took out a worn-out mobile phone to show a photo of his brother Orlando, who died in the fire.

"We have passed through hunger, enduring scarcity and hardship, to end like this. My little son asks me: Where is uncle? I cannot tell him, I just choke," he said.

The 29-year-old Mr. Maldonado arrived in Ciudad Juárez with his brother Orlando, his wife and three children, and other relatives. Orlando left a wife and a 4-year-old son in Panama, where they were waiting for him to enter the U.S. and send them money to join him later, Mr. Maldonado said. He said authorities haven't provided information on when his brother's body could be repatriated to Venezuela.

—Santiago Pérez
contributed to this article.

King Charles Visits Germany to Boost Ties

By MAX COLCHESTER
AND GEORGI KANTCHEV

BERLIN—Britain's King Charles III is visiting Germany this week on his first official foreign trip since ascending to the throne, part of the British government's wider charm offensive with its European neighbors to move past years of feuding caused by Brexit and bolster Western support for Ukraine.

The British government has deployed the new king in a soft-power play that aims to reinforce cultural bonds between the two nations and point to how they can work more closely together on issues such as climate change and foreign policy, British officials said.

The king was also due to visit France last week, but that trip was abandoned at the behest of the French government amid mass protests over a pension overhaul.

German President Frank-Walter Steinmeier, who unlike his French and U.S. counterparts holds a largely ceremonial role, welcomed King Charles and Queen Camilla at the historic Brandenburg Gate



King Charles III, right, and German President Frank-Walter Steinmeier met in Berlin on Wednesday.

on Wednesday with military honors.

Buckingham Palace said it was the first time a head of state was welcomed at the gate. President Ronald Reagan held a speech with the gate in the background in 1987, but this was before Germany's re-

unification, when the triumphal arch stood on the east side of the Berlin Wall.

"Today, on the day six years ago when Britain began its exit from the European Union, we are opening a new chapter," Mr. Steinmeier said later Wednesday.

He said the king's choice to visit Germany for his inaugural foreign trip as monarch was a "great personal gesture and I think at the same time an important sign for German-British relations."

Earlier, the monarch and the queen consort posted on

Twitter about their "great joy to be able to continue the deepening of the longstanding friendship between our two nations."

On Thursday, the monarch is set to give a speech at Bundestag, the lower house of Parliament, which he addressed in 2020 as the then-prince of Wales. He will also meet Chancellor Olaf Scholz, talk to Ukrainian refugees and meet with British and German soldiers.

In recent months, Britain has sought to refresh ties with its European neighbors after years of acrimony following its split from the European Union. Most recently, the U.K. announced a compromise deal with the EU to end a long-running argument over trading arrangements with Northern Ireland. Prime Minister Rishi Sunak visited Paris this month to heap praise on French President Emmanuel Macron.

In Germany, interest in the visit hasn't matched that sparked by previous trips by Queen Elizabeth II, King Charles's mother, with most large newspapers giving it only cursory treatment ahead of the trip.

Pope Francis Hospitalized With a Respiratory Infection

By FRANCIS X. ROCCA

ROME—Pope Francis was hospitalized for a respiratory infection that will require several days of therapy, the Vatican said Wednesday.

The pope complained of breathing difficulties during the past few days, and on Wednesday afternoon was admitted to Rome's Gemelli hospital for tests, the Vatican said.

The Vatican statement excluded a diagnosis of Covid-19 but didn't provide more information about the pope's infection. It said the condition would require several days of therapy.

Pope Francis, 86 years old, had part of a lung removed when he was young as a result of a respiratory infection. On Wednesday morning, he appeared as usual for his weekly public audience, where he didn't show obvious signs of illness, reading his prepared remarks and greeting the crowd.

In July 2021, Pope Francis was hospitalized for 10 days for diverticulitis and part of his colon was removed. In January, he told an interviewer that the condition returned.

The pope also has suffered from a fracture and torn ligament in his knee. He has used a wheelchair, and sometimes a cane. Yet, he has kept up an intense work schedule, often giving two or three speeches and holding numerous meetings each day. He traveled to Africa this year and plans to visit Hungary next month.

Pope Francis often has said he would resign if he couldn't fulfill his duties, and has praised the late Pope Benedict, who died in December, for stepping down in 2013 with the announcement that his "strength, due to the burdens of age" was no longer adequate for the job.

Last year, Pope Francis said he wrote a provisional resignation letter early in his pontificate, meant to take effect in case he is incapacitated. But it is unclear how much legal weight such a document would have or who would determine the pope's incapacity.

However, Pope Francis recently discouraged expectations that he would leave office. During a visit last month to the Democratic Republic of Congo, he told a group of Jesuit priests that papal resignations shouldn't become routine.

"I believe that the pope's ministry is [for life]," he said, according to the Jesuit journal *La Civiltà Cattolica*. "The historical tradition is important. If, on the other hand, we are listening to the 'chatter,' well, then we should change popes every six months!"

WORLD WATCH

UNITED NATIONS

Court Opinion Asked On Climate Action

The countries of the United Nations led by the island nation of Vanuatu adopted what they called a historic resolution Wednesday calling for the U.N.'s highest court to strengthen countries' obligations to curb warming and protect communities from climate disaster.

The resolution was adopted by consensus and Vanuatu Prime Minister Ishmael Kalsakau called it "a win for climate justice of epic proportions." He reeled off a string of recent disasters including back-to-back Category 4 cyclones in his own country and record-breaking Cyclone Freddy that refused to leave southeastern Africa in recent weeks. "Catastrophic and compound effects like this are growing in number," he said.

U.N. Secretary-General António Guterres said Wednesday he hoped the opinion, when issued, would encourage nations "to take the bolder and stronger climate action that our world so desperately needs."

Vanuatu hasn't only faced the recent cyclones, it is also at risk of rising seas engulfing swaths of the islands.

Scientists say both extreme weather and sea levels have worsened because of climate change caused by the burning of fossil fuels. The resolution specifically asks the court to pay particular attention to harms for small island nations.

—Associated Press

PORTUGAL

No Terrorism Link Suspected in Attack

Authorities in Portugal said Wednesday that the fatal stabbings of two women at an Islamist Muslim center in Lisbon weren't being treated as a potential act of terrorism.

Investigators have found no indication the man detained in the knife attack was involved in extremist activities, Luis Neves, the head of Portugal's Judicial Police, said during a news conference.

"There is no sign whatsoever, not one, that suggests this person was radicalized," Mr. Neves said. "This is not being viewed as a terror crime."

Police said Tuesday they were investigating the stabbings as a possible terror act. At least one person was wounded along with the Portuguese staff members who died.

Local Afghan community representatives have identified the suspect as an Afghan refugee who was known to have psychological problems after his wife died at a refugee camp in Greece. The man had integrated into Western life and exhibited no radical behavior in his habits, friendships or social-media communications, according to Mr. Neves.

Authorities said the suspect remained in police custody at a Lisbon hospital. Police reported Wednesday that he was shot when he ignored an order to surrender and advanced toward the officers who responded to the Muslim center.

—Associated Press



PROTEST: An activist holds a sign reading 'Stop war exercise' during U.S.-South Korea drills in Pohang on Wednesday.

PHILIPPINES

Large Drug Stash Found in Tea Bags

Philippine police seized more than 500 kilograms (more than half a ton) of suspected methamphetamine concealed in tea bags Wednesday and arrested a suspected Chinese drug dealer in a northern mountain resort city, police officials said.

The drug seizure in Baguio city had an estimated street value of 4 billion pesos (\$74 million) and was one of the largest in recent years, officials said.

A drug syndicate apparently hid the suspected drugs, locally known as shabu, in Baguio, a popular tourism destination, and not in metropolitan Manila be-

cause of a continuing drug crackdown in the capital region, Interior Secretary Benhur Abalos and police officials said.

President Ferdinand Marcos Jr., who took office in June, has vowed to press on with his predecessor's crackdown against illegal drugs but said it would be done differently and focus more on rehabilitating drug dependents.

Under former President Rodrigo Duterte, more than 6,000 mostly poor suspected drug dealers were killed in reported clashes with law enforcers. The widespread killings alarmed Western governments, including the U.S., and sparked an International Criminal Court investigation as a possible crime against humanity.

—Associated Press

INDONESIA

FIFA Tournament Is Stripped Away

Indonesia was stripped of hosting the men's Under-20 World Cup on Wednesday only eight weeks before the start of the tournament amid political turmoil regarding Israel's participation.

FIFA said Indonesia was removed from staging the 24-team tournament scheduled to start on May 20 "due to the current circumstances" without specifying details.

The decision came after a meeting in Doha between FIFA President Gianni Infantino and Indonesian soccer federation President Erick Thohir.

Israel qualified last June for its first Under-20 World Cup. But the country's participation in Friday's scheduled draw in Bali provoked political opposition this month.

Indonesia is the world's most populous Muslim-majority nation and doesn't have formal diplomatic relations with Israel, while publicly supporting the Palestinian cause. Indonesia's hosting was cast into doubt on Sunday when FIFA postponed the draw.

It is unclear who could now host the tournament, which was scheduled to be played in six stadiums in Indonesia. Argentina, which didn't qualify for the tournament, reportedly is interested in hosting.

"A new host will be announced as soon as possible, with the dates of the tournament currently remaining unchanged," FIFA said.

—Associated Press

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Thursday, March 30, 2023 | B1

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Hackers Infiltrated Exxon Critics

Charity of Rockefeller heirs, climate activists among those targeted by a for-hire campaign

By Christopher M. Matthews

In the midst of perpetrating what federal prosecutors say was a massive corporate hacking campaign, Israeli private detective Aviram Azari in 2017 received welcome news.

A group of hackers in India wrote him to say they had successfully infiltrated the email and social-media accounts of a group of environmental activists

campaigning against Exxon Mobil Corp.

"On a happy note I would like to report some success below: Project Name Rainbow," the hackers wrote in electronic messages that were viewed by The Wall Street Journal.

The messages included evidence of the successful intrusions, including screenshots of compromised email inboxes.

The messages along with court records reveal new details about the hacking campaign, including that thousands of individuals and companies were targeted and at least some of the attacks resulted in the hackers suc-

cessfully gaining access to the private accounts of the victims and obtaining their passwords.

Among the targets was the Rockefeller Family Fund, a charity created by some of the heirs of John D. Rockefeller, who founded Exxon's forebear Standard Oil. The fund has for years been involved in campaigns arguing that Exxon hid from the public the full extent of what it knew internally about climate change and the role fossil fuels played in causing it.

Exxon has long denied those allegations.

An Exxon spokeswoman said the company "has no

knowledge of Azari, had no involvement in any hacking activities and has not been accused of any wrongdoing. To be clear, ExxonMobil has done nothing wrong."

Mr. Azari pleaded guilty in April 2022 to participating in a hacking conspiracy, wire fraud and identity theft. After several delays, his sentencing was set for late March in federal court in New York, but was delayed once more last week at his request.

Federal agents arrested Mr. Azari in 2019 while he was on a family vacation in Florida. Since then, he has been held in a federal detention center in

Brooklyn and the mystery has lingered about who Mr. Azari's clients were.

Prosecutors in the U.S. attorney's office in Manhattan haven't accused anyone of hiring Mr. Azari to hack the environmentalists and no one else has been charged publicly in connection with the case. In a court filing last year, prosecutors said his clients "included Israeli, European, and U.S. companies."

Last year, prosecutors notified some of the activist groups, including the Rockefeller Family Fund, that they were targeted or successfully infiltrated. *Please turn to page B4*

Outgoing Macy's CEO Weathered Crises

By Suzanne Kapner

Jeff Gennette, chief executive of Macy's Inc. is retiring next year after steering it through several crises and handing the reins to one of his lieutenants.

Some of those challenges were self-inflicted.

Mr. Gennette, 61 years old, cleaned up what he called a "sea of sameness" in Macy's merchandise by cutting back on basic clothing in too many similar colors and styles and adding trendier merchandise.

He simplified pricing by reducing overlapping promotions, stripped out layers of management to speed decision making and closed hundreds of stores. He also modernized the supply chain and pushed executives to use more data and analytics in the planning of orders and pricing of goods.

"If you are relying on data, are obsessed with customers and looking at the most granular level of detail then you will make better decisions," Mr. Gennette said in an interview.

Mr. Gennette, a Macy's veteran who took over as CEO in 2017, will step aside in February, the company said Wednesday. He will be succeeded by Tony Spring, who runs the company's Bloomingdale's chain, where Mr. Spring has worked for 36 years.

The transition comes at a time of upheaval for retailers as high inflation pinches consumers and pushes up manufacturing costs.

Department stores like Macy's, whose roots trace back to the 19th century, are still grappling with how they can engage shoppers amid competition from newer rivals and a yearslong decline in their share of overall retail spending. Other department-store chains such as Nordstrom Inc. and Kohl's Corp. have struggled with falling sales and profits.

"Macy's is in a really good position," Mr. Gennette said. "We came through the pandemic financially stronger, more agile and efficient."

Mr. Gennette said he has learned many lessons in a career that spanned merchandising and operating positions and took him from California to New York. One is to know your customers really well. Macy's divides its shoppers into 11 types and five life stages, he said. The other is to keep it simple. "The best strategies are the ones that can be executed well," he said. *Please turn to page B2*

Gold Prices Rally as Financial Fears Abound

By Hardika Singh

Banking-sector turmoil and worries about the economy have gold prices hitting \$2,000 a troy ounce for the first time in a year.

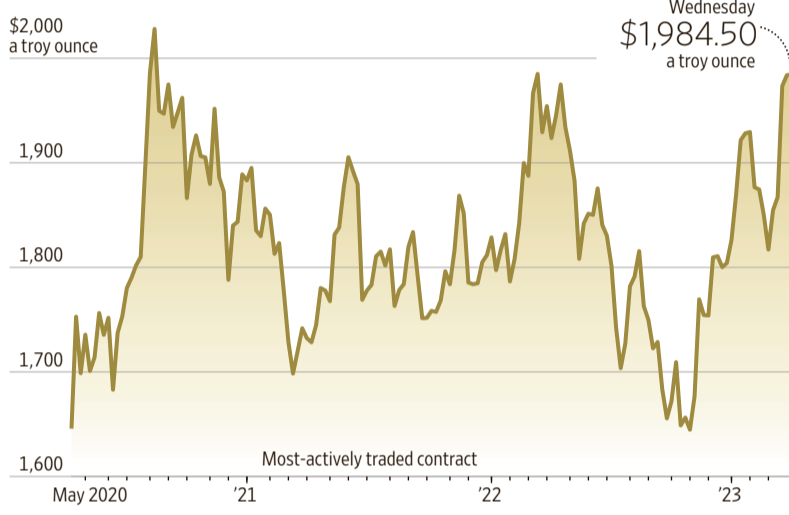
The most-actively traded gold futures contract has jumped about 8% to \$1,984.50 this month, reaching an intraday high of \$2,014.90 last week and on pace for the largest monthly percentage increase since July 2020. Prices hadn't topped \$2,000 since Russia's invasion of Ukraine last spring.

The latest gains have been fueled by nervous investors sheltering in the haven after the collapse of Silicon Valley Bank and Signature Bank spurred fears that a banking crisis could drag the economy into recession.

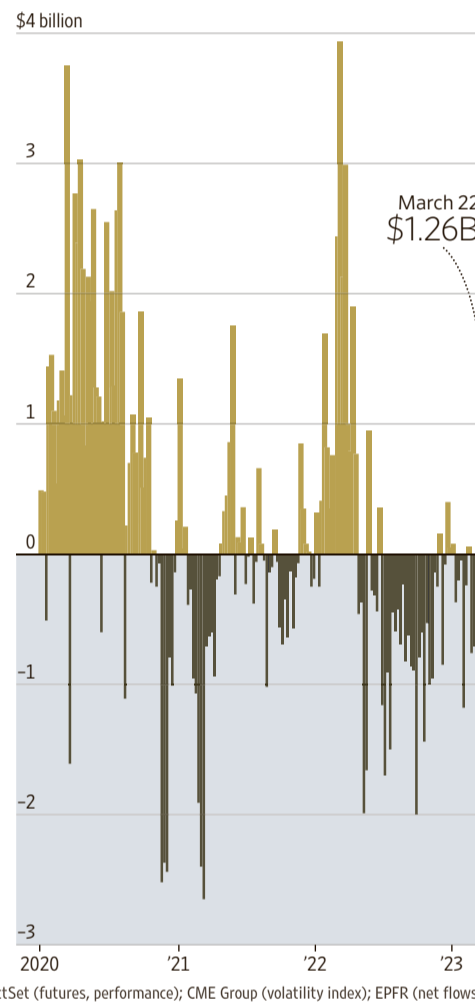
At the same time, investors' rush to safer investments has driven down yields on government debt, increasing the relative appeal of gold, which doesn't offer bonds' regular payouts. The slide in yields has also slightly weakened the dollar, making gold—which is priced in dollars—less expensive for overseas investors.

Several analysts and investors said the banking tumult portends tightening economic conditions and a pause in the Federal Reserve's aggressive *Please turn to page B11*

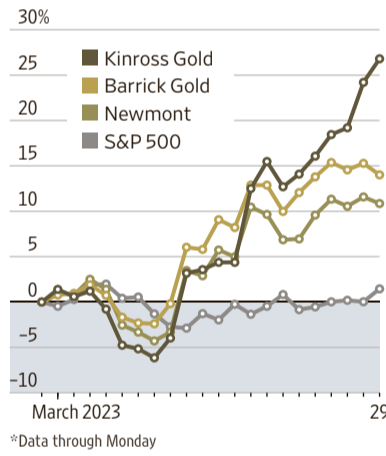
Gold futures price over the past three years, weekly



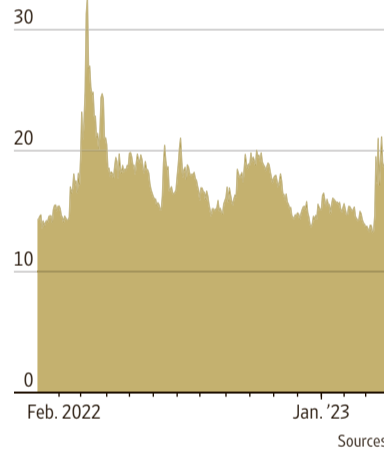
Net flows into gold mutual funds and exchange-traded funds, weekly



Stock and index performance



CME Group Gold Volatility Index*



Musk, Experts Call for Pause in AI Tech Advances

By Deepa Seetharaman

Several tech executives and top artificial-intelligence researchers, including Tesla Inc. Chief Executive Officer Elon Musk and AI pioneer Yoshua Bengio, are calling for a pause in the breakneck development of powerful new AI tools.

A moratorium of six months or more would give the industry time to set safety standards for AI design and head off potential harms of the risk-

iest AI technologies, the proponents of a pause said.

"We've reached the point where these systems are smart enough that they can be used in ways that are dangerous for society," Mr. Bengio, director of the University of Montreal's Montreal Institute for Learning Algorithms, said in an interview. "And we don't yet understand."

These concerns and the recommendation for the pause were laid out in a letter titled

"Pause Giant AI Experiments: An Open Letter" coordinated by the nonprofit Future of Life Institute, which lists Mr. Musk as an external adviser. The letter that was made public Wednesday was also signed by Apple co-founder Steve Wozniak; Stability AI CEO Emad Mostaque; and the co-founders of the Center for Humane Technology, Tristan Harris and Aza Raskin, who have been critical of social media and AI technology, said a

spokeswoman for the team authoring the letter.

The letter doesn't call for all AI development to halt, but urges companies to temporarily stop training systems more powerful than GPT-4, the technology released this month by Microsoft Corp.-backed startup OpenAI. That includes the next generation of OpenAI's technology, GPT-5.

OpenAI officials say they haven't started training GPT-5. In an interview, OpenAI CEO

Sam Altman said the company has long given priority to safety in development and spent more than six months doing safety tests on GPT-4 before its launch.

"In some sense, this is preaching to the choir," Mr. Altman said. "We have, I think, been talking about these issues the loudest, with the most intensity, for the longest."

Calls for a pause clash with a broad desire among tech *Please turn to page B4*

Banks Reclassified Bonds as Rates Rose

By Jonathan Weil

As the Federal Reserve's interest-rate increases sent bond prices plunging last year, some of the country's largest banks used a simple accounting maneuver to help keep billions of dollars of losses from piling up on their books.

They declared that they intended to hold on to large portions of their money-losing bonds until they matured rather than selling them, and they then changed the bonds' accounting labels accordingly. From then on, the bonds would be frozen in time, no matter how far their values fell in the market.

The Wall Street Journal identified six large U.S. banks including Charles Schwab Corp. and PNC Financial Services Group Inc. that together switched the classifications on more than \$500 billion of their bond investments last year. For some banks, excluding the unrealized losses from

their balance sheets allowed them to report robust levels of capital when in reality their assets were worth much less.

The collapse of Silicon Valley Bank has drawn fresh attention to a decades-old debate over the accounting rules. Current rules often let companies show vastly different values for the same assets, depending on what they say they intend to do with them. In addition, the rules often let companies change their stated intentions midstream, which can have outside impacts on their balance sheets.

The six banks were able to flatter their balance sheets with a flick of the accounting ledger. Banks can hold assets as "available for sale," which means they are valued using market prices. Another option is to call them "held to maturity," meaning they won't be sold. These bonds are held at the banks' cost. The logic is that daily market prices aren't *Please turn to page B10*

INSIDE



TRANSPORTATION
Air travelers are filing far more complaints than before the pandemic. **B2**



APPAREL
Adidas drops its attempt to block the trademarking of Black Lives Matter's logo. **B3**

Schultz Says Starbucks Doesn't Move Against Pro-Union Staff

By Heather Haddon

Longtime Starbucks Corp. leader Howard Schultz on Wednesday defended the coffee chain against accusations it has retaliated against pro-union workers who say they are seeking better pay and benefits.

Mr. Schultz, testifying before a Senate committee, said the company has attempted to bargain with representatives of the Starbucks Workers United union in good faith. The discipline of any unionized employee by Starbucks was a result of violating company policies, not advocating for a union, he said.

"We have not broken the law. We have simply tried to defend ourselves and tell our employees, all of them, what we stand for," Mr. Schultz said during the two-hour hearing.

The Senate's Committee on Health, Education, Labor and Pensions is investigating



Former CEO Howard Schultz testified Wednesday at the Senate.

whether Starbucks flouted U.S. labor laws since baristas began petitioning for union elections more than 18 months ago.

U.S. baristas across 291 Starbucks stores have voted to unionize, representing roughly 3% of the chain's 9,300 U.S. locations, the National Labor Relations Board said Monday. The federal agency said it had certified defeats for unioniza-

tion votes at 58 locations. The single-store unions represented around 7,000 Starbucks employees, the NLRB said.

Starbucks hasn't signed a collective bargaining agreement since it began negotiating with the Starbucks Workers United union of baristas last October. The company has restricted most new perks al- *Please turn to page B2*

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	Adidas.....B3	Alibaba.....B11	Amazon.com.....B3	Apple.....B1
B	Barrick Gold.....B11	Binance.....B11	Brookfield Asset Management.....B4	
C	Charles Schwab.....B1	Credit Suisse.....A1,A4,B12	CVS Health.....A2,A7	
D	Deutsche Bank.....B11			
E	Electronic Arts.....B3	Emergent BioSolutions.....A2		
F	First Citizens Bancshares.....B12			
G	GameStop.....A1			
I	ING Groep.....A4,B12	Inmarsat.....B3	Intelsat.....B3	
J	JPMorgan Chase.....B10			
K	Kinross Gold.....B11			
M	Macy's.....B1	Marshall Wace.....B11	Micron Technology.....B11,B12	Microsoft.....A1,B1,B4
N	Newmont.....B11			
O	OneWeb.....B3			
P	PNC Financial Services.....B1			
R	RedBird Capital Partners.....B3			
S	Silicon Valley Bank.....B4	Sinclair Broadcast.....B3	SpaceX.....B3	Starbucks.....B1
T	Swiss Re.....A4			
U	U.S. Bancorp.....B10	UBS.....A1,A2,A4,B11,B12	UnitedHealth.....A1	
V	Viasat.....B3			
W	Walgreens.....A2	Walmart.....A2	Walt Disney.....A1,B2	Warner Music.....B3
	WeaveGrid.....B4	Wells Fargo.....B10		

INDEX TO PEOPLE

A	Altman, Sam.....B1			
B	Bengio, Yoshua.....B1	Bettinger, Walt.....B10	Bhargava, Apoorv.....B4	Brightman, Chris.....B11
C	Chapek, Bob.....A8,B2	Cohen, Ryan.....A1		
D	Deschenes, PJ.....B4			
E - G	Ermotti, Sergio.....A1,A4,B12	Faber, Meb.....B11	Feige, Kevin.....B2	Furlong, Matt.....A10
	Garvey, Isabel.....B3	Gennette, Jeff.....B1		
H	Hamers, Ralph.....A1,B12			
I	Icahn, Carl.....B12	Iger, Robert.....A4,A8,B2,B12		
J	Jones, Todd.....B11	Jonsson, Jon.....B11		
K	Kelleher, Colm.....A1,B12	Kyncl, Robert.....B3		
L - N	Landsberg, Michael.....B11	Lim, Samuel.....B11	Luttwak, Ami.....B4	Mehrotra, Sanjay.....B12
	Mostaque, Emad.....B1	Murphy, Mark.....B12	Musk, Elon.....B1,B3	Nadella, Satya.....B4
O	Oliveira, Ana Carolina.....B4			
P	Peltz, Nelson.....B2	Perlmutter, Isaac.....B2	Peters, Sandy.....B10	
S	Saunders, Neil.....B2	Schultz, Howard.....A4,B1	Schwab, Charles.....B10	Spring, Tony.....B1
	Steffens, Rob.....B2			
W - Z	Wilson, Andrew.....B3	Wozniak, Steve.....B1	Zuckerberg, Mark.....A1	

BUSINESS & FINANCE

Disney Lays Off Chairman of Marvel Comic-Book Division

By ROBBIE WHELAN

Walt Disney Co. laid off Isaac "Ike" Perlmutter, chairman of Marvel Entertainment LLC, and plans to fold the comic-book publishing business into Disney Entertainment, the company's content-production division.

Mr. Perlmutter, who remains one of Disney's largest individual shareholders, has long had a rocky relationship with Chief Executive Robert Iger. In 2015, Mr. Iger removed him as head of Marvel Studios after a power struggle with current studio chief Kevin Feige.

Since then, Mr. Perlmutter had continued to weigh in on studio matters, criticizing certain movies that he viewed as too expensive to produce, including "Black Panther," "Captain Marvel" and more recently, "Doctor Strange in the Multiverse of Madness."

Last year, Mr. Perlmutter teamed up with his friend, the activist investor Nelson Peltz, to try to persuade Disney to appoint Mr. Peltz to its board of directors, prompting a contentious proxy war that ended in February, when Mr. Peltz



Isaac 'Ike' Perlmutter has long had a rocky relationship with Disney Chief Executive Robert Iger.

withdrew his proposal after Disney announced it would cut \$5.5 billion in spending and 7,000 jobs.

Those layoffs began this week, and included the elimination of Disney's metaverse unit. The moves represent reversals of the agenda championed by former Disney CEO Bob Chapek, who was close with Mr. Perlmutter and who championed the metaverse initiative.

Disney on Wednesday con-

firmed the changes at Marvel, which were earlier reported by the New York Times.

In addition to Mr. Perlmutter, Disney also laid off his assistant, Marisol Garcia, and two of his longtime consigliere, Marvel Entertainment chief counsel John Turitzin and adviser Alan Fine, people familiar with the situation said. The total number of layoffs from the division wasn't disclosed.

Disney said it expects to

save money by consolidating Marvel Entertainment, which had its own human resources, accounting and legal teams.

Under the new structure, Marvel Entertainment will be integrated into the Disney Entertainment division, led by Dana Walden and Alan Bergman.

Dan Buckley, who leads the comic-book-publishing operation, will serve as its co-president and report to Mr. Feige, the studio chief, a Disney representative said.

Rob Steffens, the division's other co-president, will handle licensing decisions for products like Marvel apparel and videogames, some of which will now be handled by Disney's parks, experiences and products division, the company said.

Mr. Perlmutter became perhaps Disney's most powerful individual shareholder after Disney bought Marvel for \$4 billion in 2009 in a bid to capitalize on its vast library of comic-book characters and stories.

Since then, Marvel movies distributed by Disney have grossed more than \$23 billion at the box office.

Macy's Weathered Crises

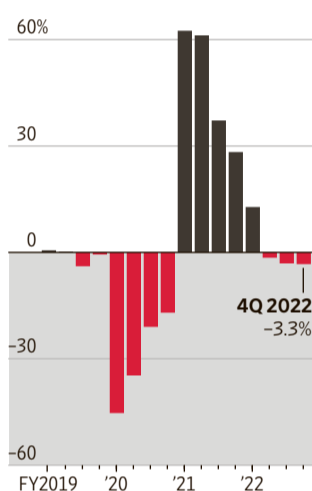
Continued from page B1

Through his tenure he also faced the rise of Amazon.com Inc. as an apparel rival, fended off an activist investor's calls to split Macy's stores from its e-commerce business and managed through the Covid-19 pandemic.

Mr. Gennette, a Stanford University graduate, will soon leave a company he joined in 1983 as a management trainee. He is one of the few openly gay CEOs of a major corporation and drew on his own experience to help create a more diverse and inclusive culture at Macy's.

The company made a pledge

Macy's comparable-store sales, change from a year earlier*



*Excludes licensed sales Note: Fiscal year ended Jan. 28

Share and index performance over the past year



Sources: the company (sales); FactSet (performance)

in 2022 to spend \$5 billion by 2025 tackling issues that range from creating a more equitable work environment to supporting minority-owned businesses to climate change. It spent \$1.4

billion of that money last year. When Mr. Gennette took the helm, sales were falling and pundits were talking about the death of department stores, which were losing share to dis-

count chains as well as fast-fashion and online retailers. It had also faced a different activist investor, who pushed Macy's to sell its real estate, and its weakened position had

made it a target of a takeover attempt by a rival.

Some changes he implemented served Macy's well during the Covid-19 pandemic, when the flow of goods to stores was upended. Macy's mostly sidestepped the inventory pileup that hurt other chains like Walmart Inc., Target Corp. and Kohl's, emerging from the pandemic as a smaller but more profitable company.

Macy's still has issues with cluttered store displays and suffers from "disjointed merchandising, and a relatively unattractive shopping experience," wrote Neil Saunders, managing director of research firm GlobalData PLC, in March.

Macy's ended its most recent fiscal year with sales of \$24.44 billion, less than the \$24.56 billion it had in 2019, before the pandemic began. But profit has more than doubled over that period to \$1.18 billion.

Beijing Streaming Employees To Leave

By JESSICA TOONKEL AND JOE FLINT

Walt Disney Co. has laid off more than 300 employees in Beijing who worked on its streaming services, according to people familiar with the situation, part of a cost-cutting and restructuring effort at the entertainment company.

The layoffs in China come as Disney this week started carrying out the first wave of cuts in a previously announced plan to slash 7,000 jobs.

The China layoffs affected technology employees who were working on such features as personalization, search and customer identification for Disney's streaming services, the people said.

Disney said the move in China "is part of the company's cost-cutting effort and global reorganization."

Disney has made streaming a focal point of its business. It operates a number of services, including the flagship Disney+, which is available in much of the world except for mainland China, as well as ESPN+ and Hulu in the U.S. and Disney+ Hotstar in Asia.

Disney+ had 161.8 million subscribers as of Dec. 31, Hulu had 48 million, and ESPN+ had 24.9 million. Under pressure from investors to better manage costs, the company has committed to achieving profitability for its streaming business by September 2024. Since the 2019 launch of Disney+, the company's streaming business has lost nearly \$10 billion, according to financial disclosures.

Among other cost-cutting moves, Disney recently cut the roughly 50-person team dedicated to developing metaverse strategies, The Wall Street Journal reported.

Disney, which maintains offices in China, has spent more than a decade aggressively courting Chinese consumers and officials. Since the 1990s, many of the company's biggest films have screened in Chinese theaters—and blockbusters such as "Avengers: Endgame" and "Avatar 2: The Way of Water" are among the highest-grossing movies in the country's history. Disney employees in China can confer with the country's officials and distribution executives about securing such releases.

More recently, as relations between China and the U.S. deteriorated, several Disney titles were among those turned away by the Chinese Communist Party officials who rule on a movie's distribution in the country. That has shifted in recent months, as Disney releases such as "Black Panther: Wakanda Forever" gained approval.

Schultz Testifies on Union Furor

Continued from page B1

lotted in the past year to non-union stores, saying unionized locations need to bargain for the benefits.

Sen. Bernie Sanders (I., Vt.), who chairs the Senate commit-

tee, questioned Mr. Schultz Wednesday if he was personally involved in firing or retaliating against any pro-union chain worker, which the ex-CEO denied. Mr. Sanders pressed Mr. Schultz to promise to exchange bargaining proposals with Starbucks Workers United 14 days after the hearing.

Mr. Schultz said the company wants to hold in-person bargaining sessions, instead of the union's preference for a hybrid model involving Zoom. "We are prepared to have collective bargaining sessions

when they are face to face. We are ready, willing and able," Mr. Schultz said.

On Tuesday, Mr. Schultz, who stepped down as chief executive earlier this month, appealed in an internal message to Starbucks employees to believe in the company's efforts to treat them well.

"I'm going to remind members of Congress and Bernie Sanders' committee, respectfully, who we are, what we stand for, and what we believe in," said Mr. Schultz in a video address from a chain cafe.

During Wednesday's hearing, Democratic senators pressed Mr. Schultz on the hundreds of unfair labor practice complaints filed by the union with the NLRB against Starbucks over allegations that it harassed and fired pro-union workers.

Mr. Schultz said that Starbucks "unequivocally" hasn't broken any federal labor laws and he was confident that the allegations would be proven false. "We treat our people fairly. We have done nothing that is nefarious," he said.

Some senators also asked Mr. Schultz if it was fair to fight baristas seeking to unionize for better pay when the company is generating billions of dollars in sales. Mr. Schultz said Starbucks taps its profit to pay its workers an average wage of \$17.50 an hour.

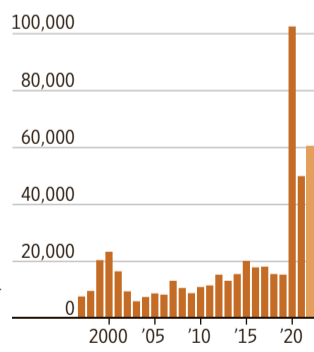
Watch a Video

Scan this code for a video of CEO Schultz's testimony on union talks.



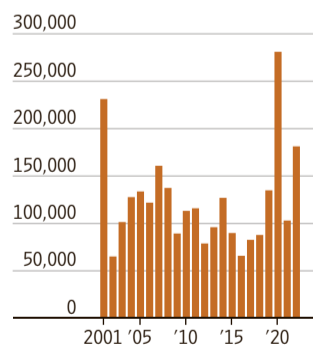
Travelers lodged 60,732 complaints from January 2022 to November, according to a new report.

Number of complaints by air travelers*



*2023 through November, latest available Source: U.S. Department of Transportation data via U.S. PIRG Education Fund

Airline cancellations by year†



†Cancellations measured by the largest U.S. airlines

Air Travel Gets More Complaints Than Usual

By JOSEPH DE AVILA

Complaints about air travel have nearly quadrupled compared with prepandemic levels after waves of cancellations, delays and lost baggage disrupted the plans of millions of fliers.

Travelers lodged 60,732 complaints from January 2022 to November, according to a new report by U.S. PIRG Education Fund, a public-interest research group that examined Transportation Department data. The complaints targeted U.S. and foreign airlines, third-party booking sites, travel agents and others. While the number of complaints from December isn't available yet, the figures

through November 2022 far exceeded the 15,342 filed by travelers in 2019, according to the report. Last December, airlines canceled thousands of flights, likely adding to the tally.

Teresa Murray, author of the report, said gripes about cancellations, delays and missed connections drove the increase in complaints. Airlines offered unrealistic flight schedules in 2022 that they were often unable to meet, forcing airlines to cancel or delay thousands of flights, she said. "All of the airlines are doing a really lousy job of scheduling," Ms. Murray said.

Difficulties getting refunds were the top complaints in 2022, according to the report.

Flight problems, including delays and cancellations, were second. Lost, damaged or pilfered luggage was the third-most-common complaint.

The rise in airline complaints comes after air travel rebounded from 2020 but remains below prepandemic levels. There were nearly 800 million travelers on flights in 2022, according to the DOT. In 2020, when many travelers canceled plans due to the pandemic, there were about 322 million passengers, compared with about 887 million in 2019.

When travelers signaled they were ready to get back on planes in 2021, many airlines weren't ready and faced staff

shortages, Ms. Murray said. Airlines didn't return to prepandemic staffing levels until July 2022, according to the report. Pilot shortages continue to hamper the industry, she said.

U.S. airline executives said they expect the solid demand for air travel will continue in 2023 with business travel lagging behind a bit.

Cancellations were a major headache for travelers in 2022 with about 181,000 flights scrapped by the largest U.S. airlines, according to the report. Only 2001, following the 9/11 attacks, and 2020, the start of the pandemic, had more cancellations over the past two decades. On-time performance across

the industry fell to 76.7% in 2022, compared with the previous year's 81.1%. That figure was 84.5% in 2020 and 79% in 2019.

Airlines for America, an association representing the U.S. industry, said U.S. airlines are operating 10% fewer flights this spring compared with 2019. U.S. carriers beefed up staffing and employ 5% more pilots and 1% more flight attendants than they did at the end of 2019, it said.

"Our carriers have been working diligently to address operational challenges within our control by hiring additional staff and adjusting our schedules to improve reliability," a representative for Airlines for America said.

BUSINESS NEWS



SHANNON STAPLETON/REUTERS



Like the sportswear emblem, the BLM logo features three stripes.

Adidas Ends Bid To Block Logo for Black Lives Matter

By TREFOR MOSS
AND JOSHUA KIRBY

Adidas AG said it would drop its opposition to Black Lives Matter's bid to trademark its logo design, which, like the sportswear company's emblem, features three stripes.

The German brand has in the past fiercely defended its logo design, which comprises three stripes, albeit with mixed success. The Black Lives Matter Global Network Foundation's logo, which the advocacy group is seeking to trademark, consists of three parallel yellow lines.

Adidas had submitted its opposition to the BLM logo to the U.S. Patent and Trademark Office in a filing dated Monday. In the filing, the company said it had been using its three-stripe logo for more than 70 years and the BLM logo was "confusingly similar."

Trademarking the BLM foundation's logo would dilute the distinctiveness of the three-stripe mark, Adidas said. "Registration would be a source of damage and injury," it added.

On Wednesday, Adidas said it was dropping its attempt to block the BLM application "as soon as possible." Adidas decided to drop its objection because the company didn't want to be misinterpreted as objecting to BLM's cause, which it supports, according to a person familiar with the

matter.

The BLM foundation didn't respond to a request to comment. BLM was founded in 2013 and gained greater prominence in 2020 after the murder of George Floyd, a Black man, while in police custody. The organization submitted its application to trademark its logo in 2020 for use with a variety of goods ranging from mugs and lapel pins to T-shirts and sports bags.

The decision by Adidas to back away from a potential trademark dispute comes as the company embarks on a turnaround plan under new Chief Executive Bjørn Gulden, and seeks to move on from criticism related to race issues. Adidas last year terminated its once-lucrative Yeezy partnership with rapper Kanye West, who goes by Ye, in response to Mr. West's antisemitic remarks.

Adidas's move Wednesday to drop its opposition to the BLM trademark application follows the company's failure earlier this year to prevent U.S. fashion designer Thom Browne from using a four-stripe motif, which appears on his jackets and other menswear. He had earlier switched from a three-stripe design in response to objections from Adidas. The judge in that case ruled that the use of stripes wouldn't necessarily confuse or mislead consumers and declined to award damages.

YES Service Targets Cable Cord-Cutters

By JOE FLINT

The television home of the New York Yankees is launching a streaming service that will allow fans in the region to watch games without needing a cable or satellite subscription, the latest sign of the continued erosion of the traditional pay-TV bundle.

The YES Network, which also airs games of the National Basketball Association's Brooklyn Nets and the WNBA's New York Liberty, on Wednesday said its new streaming option would cost \$24.99 a month or \$239.99 annually.

The move follows a similar launch weeks earlier by another major carrier of Greater New York City teams, MSG Networks, whose new MSG+ service gives fans of the NBA's New York Knicks and National Hockey League's New York Rangers and New Jersey Devils access to games for \$29.99 a

month or \$309.99 annually.

The launch of platforms that offer fans direct access to live sports—historically the backbone of the cable industry—comes as millions of U.S. households cancel their traditional cable-TV packages every year in favor of streaming services, a phenomenon known as cord-cutting.

YES, which is owned by the New York Yankees, Sinclair Broadcast Group Inc., Amazon.com Inc. and private-equity firm RedBird Capital Partners, said its new streaming option would only be available locally and not on a national basis.

It also said subscribers to YES through traditional cable and satellite services will continue to have the ability to stream the network.

Direct-to-consumer options are increasingly important to teams concerned about the drop in subscribers for traditional pay-TV distributors.

Electronic Arts to Trim Staff, Office Footprint

By SARAH E. NEEDLEMAN

Electronic Arts Inc. said it is laying off about 6% of its workforce and reducing its office-space footprint to focus its spending on the best growth opportunities in the videogame industry.

The maker of hit franchises such as "Madden NFL" didn't specify how many people would be let go or from which departments. In the middle of last year, it said it had nearly 13,000 employees. That would translate into around 780 job cuts. The company said it plans to redeploy some of the affected staff to other areas.

EA said the layoffs began earlier this quarter and are expected to continue through the early part of its next fiscal year, which begins in April. The Redwood City, Calif.-

based company said it is trimming its real-estate spending and restructuring some teams.

"Now, more than ever, we must be focused on our strategic priorities," EA's Chief Executive Andrew Wilson said Wednesday in a statement prepared for a blog post for employees.

The announcement makes EA the first major videogame publisher to disclose significant layoffs. The industry has until now been largely sheltered from the staff reductions that have been happening at many technology companies.

The videogame industry has had a challenging start in the new year after a slowdown in player spending that reversed some of the outside growth made during the pandemic.

Shares of EA rose slightly on Wednesday to \$119.19.

Warner Music Group Plans To Reduce Workforce by 4%

By ANNE STEELE

Warner Music Group Corp. plans to layoff about 4% of its global workforce, according to a memo from new Chief Executive Robert Kyncl, citing the need to reposition the company toward technology.

The job cuts mark the first major strategic move made by Mr. Kyncl, who joined the company in January after departing Alphabet Inc.'s YouTube as its business chief. About 270 jobs will be eliminated.

Mr. Kyncl said the company is reallocating resources toward new skills for artist and songwriter development. His appointment was seen as a bet on tech development as the music industry increasingly looks to social media, gaming, the metaverse and artificial intelligence for licensing opportunities and future revenue growth beyond streaming.

"I want to be clear that this is not a blanket cost-cutting exercise," Mr. Kyncl said in the memo to the company's staff. He said the company is reducing discretionary spending and open positions.

Warner Music, the third-largest major music company, is



CHARLES SWILES/INVISION/ASSOCIATED PRESS

Warner Music is home to superstars such as Ed Sheeran.

home to superstars including Ed Sheeran and Madonna. Shares in the company, which went public in 2020, rose less than 1% to \$32.63 on Wednesday.

In February, the company reported lower earnings for its first quarter amid weakness in

the recorded music division. In a letter to investors at the time, Mr. Kyncl pointed to a challenging business environment but said the company expected to have a strong release schedule in the second half of the year while manag-

ing costs.

Warner Music owns labels including Atlantic, Elektra and its flagship Warner Records, as well as Warner Chappell Music, the third-largest music publisher by revenue. The company's roster includes Lizzo, Dua Lipa, Coldplay and Prince. It also owns the catalogs of David Guetta and David Bowie.

Also Wednesday, Warner Music announced changes in its U.K. operations, including Isabel Garvey, known for her work at Abbey Road Studios, taking on a newly created chief operating officer role. At the company's Parlophone Records label in the U.K., the co-presidents and general manager will depart, the company said.

In January, Spotify Technology SA said it would lay off about 600 employees, or roughly 6% of its workforce, as part of broader cost-cutting measures after the streaming company went on a spending spree during the pandemic. The streaming giant also shook up its top ranks, with a top architect of its podcast strategy departing and the company reorganizing under two longtime executives.

Satellite Operators Discuss Combining

By DENNY JACOB

Satellite operator SES SA on Wednesday said it is in talks with Intelsat about a possible combination, the latest example of satellite-internet providers seeking to merge as competition intensifies.

Any deal between the two companies would position them to better compete with Starlink, the satellite-internet service operated by Elon Musk's SpaceX.

In a statement, SES said there is no guarantee that a merger would occur. The two companies didn't immediately respond to a request for comment.

Satellite operators have been looking to combine. Viasat Inc. in 2021 proposed to acquire Inmarsat in a \$7.3 billion deal. Eutelsat Communications SA and OneWeb in 2022 said they would combine.

Starlink, which uses a fleet of satellites to enable what are designed to be high-speed internet connections, in February adjusted prices for some of its subscribers, The Wall Street



STEVE NIEBUS/REUTERS

A deal would position SES and Intelsat to better compete with Starlink's satellite-internet service.

Journal reported. Starlink grew quickly last year, according to SpaceX, and has been targeting both consumer and business customers.

In addition to discussing mergers, satellite operators have been taking steps to bolster their services.

Executives at Viasat Inc. told investors in February that

the launch of a new satellite in April would help it address bandwidth constraints in the U.S. that had affected its residential business. SpaceX is scheduled to handle that launch on one of its rockets.

SES earlier this month said SpaceX launched two of its satellites into orbit. Those are part of a fleet used to offer TV, radio

and data services in the U.S. Inmarsat in February deployed a satellite through SpaceX. That satellite is scheduled to connect its first customers next year.

Bloomberg earlier reported on merger talks between SES and Intelsat.

—Mauro Orru
and Micah Maidenberg
contributed to this article.

INTESA SANPAOLO

EXTRACT OF THE NOTICE OF CALL OF ORDINARY SHAREHOLDERS' MEETING
(pursuant to Article 125-bis, paragraph 1, of Legislative Decree no. 58/1998)

The Ordinary Shareholders' Meeting of Intesa Sanpaolo S.p.A. is convened, on single call, at the New Headquarters in Torino, Corso Inghilterra no. 3, at 10:00 a.m. on 28 April 2023, to discuss and pass resolutions on the agenda as stated below.

In compliance with Article 106, paragraph 4, of Decree Law no. 18 dated 17 March 2020, converted by Law no. 27 dated 24 April 2020, the effects of which were most recently extended by Law no. 14 dated 24 February 2023, the Company decided to avail itself of the option establishing that participation in, and voting at, the Shareholders' Meeting shall only be allowed through the Appointed Representative pursuant to Article 135-undecies of Legislative Decree no. 58/1998, as per the indications provided in the specific paragraph of the notice of call available on the website group.intesasnpaolo.com ("Governance"/"Shareholders' Meeting").

Agenda:

- 2022 financial statements:
 - Approval of the Parent Company's 2022 financial statements
 - Allocation of net income for the year and distribution of dividend to shareholders;
- Remuneration:
 - Report on remuneration policy and compensation paid: Section I – Remuneration and incentive policies of the Intesa Sanpaolo Group for 2023
 - Report on remuneration policy and compensation paid: non-binding resolution on Section II – Disclosure on compensation paid in the financial year 2022
 - Approval of the 2023 Annual Incentive Plan based on financial instruments;
- Own shares:
 - Authorisation to purchase and dispose of own shares to serve the Incentive Plans of the Intesa Sanpaolo Group
 - Authorisation to purchase and dispose of own shares for trading purposes.

Information on the share capital as well as on methods and terms applicable to:

- participating in, and casting votes at, the Shareholders' Meeting only through the Appointed Representative **Computershare S.p.A.**,
- communication of ownership of voting rights with record date on 19 April 2023,
- exercising the right to add items to the agenda, the right to submit new proposals for resolution and the right to ask questions on the items on the agenda,
- the availability of the reports concerning the items on the agenda with the related documentation, is set forth in the notice of call available on the website group.intesasnpaolo.com ("Governance"/"Shareholders' Meeting").

This extract is published in the daily newspapers "Il Sole 24 Ore", "La Stampa", "Corriere della Sera", "Financial Times" and "The Wall Street Journal".

for the Board of Directors
The Chair – Gian Maria Gros-Pietro

Intesa Sanpaolo S.p.A. Registered Office: Piazza S. Carlo, 156 10121 Torino Italy Secondary Registered Office: Via Monte di Pietà, 8 20121 Milano Italy Share Capital Euro 10,368,870,930.08 Torino Company Register and Fiscal Code No. 00799960158 "Intesa Sanpaolo" VAT Group representative Vat Code No. 11991500015 (IT11991500015) Included in the National Register of Banks No. 5361 ABI Code 3069.2 Member of the National Interbank Deposit Guarantee Fund and of the National Guarantee Fund and Parent Company of the banking group "Intesa Sanpaolo" included in the National Register of Banking Groups.

TECHNOLOGY

Microsoft Patched a Bing Security Issue

The problem was fixed days before AI version of the search engine was launched

BY ROBERT McMILLAN

Microsoft Corp. patched a dangerous security issue in Bing last month days before it launched a new artificial-intelligence-powered version of the search engine.

The problem was discovered by outside researchers at the security firm Wiz Inc. It was created by a mistake in

the way that Microsoft configured applications on Azure, its cloud-computing platform, and could be used to gain access to emails and other documents of people who used Bing, the researchers said.

Microsoft fixed the problem on Feb. 2, according to Ami Luttwak, Wiz's chief technology officer. Five days later, Microsoft Chief Executive Satya Nadella introduced the new generative AI capabilities to Bing, bringing a renewed interest in the company's 14-year-old search engine.

Usage of Bing jumped, rising to more than 100 million

daily active users in the month since the upgrade, Microsoft said in a recent blog.

Microsoft has been adding generative AI capabilities to much of its software and services. The new Bing can help users track down information using a chatbot backed by the technology behind ChatGPT.

Microsoft is adding the technology to its popular Microsoft 365 suite of business software. This week, the company unveiled plans to use AI to help cybersecurity experts monitor and categorize threats and attacks.

A Microsoft spokesman said

the misconfiguration issue affected a small number of the company's applications that used its login management service, called Azure Active Directory.

In a blog post, Microsoft said the issues pointed out by Wiz had been fixed and outlined ways for companies and consumers to protect themselves. The company said it had taken steps to prevent this type of issue from occurring in the future. Microsoft shares rose 1.9% to close at \$280.51 on Wednesday.

Wiz said there is no evidence anyone has taken ad-

vantage of the issue. It isn't clear how long it was available for hackers to use although the issue may have been exploitable for years, the cybersecurity company said.

Hillai Ben-Sasson, a researcher at Wiz said the misconfiguration allowed him to access a website used by Microsoft employees to set up trivia quizzes on Bing. Because it was misconfigured, anyone with a free Microsoft account could use it to change what results popped up on Bing for search queries.

It should have been viewable only to Microsoft employ-

ees, Wiz's Mr. Luttwak said. "We should have never seen it," he said.

The Wiz team discovered they could change some Bing search results by changing data on the Bing trivia page. They were able to make specific results show up for any search query by tinkering with the trivia page. They made the 1995 film "Hackers" pop up for anyone who searched for the term "best soundtracks."

Then they discovered something more serious: a way to get access to Bing users' Microsoft 365 emails, documents, calendars and other data.

Volatile Markets Squeeze Funding for Green Startups

BY AMRITH RAMKUMAR

The interest-rate increases and market volatility that hit risky investments last year have finally caught up with green startups.

The sector, which includes everything from renewable energy to speculative climate technology, had steadily drawn in cash through last year during a record-breaking streak of fundraising. In the first quarter, funding for these companies has fallen almost as much as total venture-equity funding.

Clean-energy startups have privately raised about \$8 billion in equity in the first quarter, a drop of nearly 40% from a year earlier and the lowest figure since 2020, PitchBook data show.

Activity in the market for sustainability-linked bonds and loans has also softened in line with the overall market amid rising interest rates, dragging down the amount of debt larger companies are raising for climate projects to the lowest level in more than two years, according to Dealogic. Companies in the oil-and-gas industry and other sectors are also raising much less cash than they did in recent years.

"People thought the climate industry was immune. That's not true at all," said Apoorv Bhargava, chief executive of San Francisco-based WeaveGrid, a startup that sells software to manage the surge in electricity demand from electric cars. Mr. Bhargava, who is also an angel investor and adviser to some climate technology companies, said more financing rounds have been canceled, delayed or downsized recently.

The weakness in climate funding marks a shift from last year, when the sector largely avoided the worst of the market slowdown and got a boost from the Inflation Reduction Act, which promises to inject hundreds of billions of dollars into the industry over the next decade. The recent failure of Silicon Valley Bank—which had some 1,500 clients in the industry—and pressure on other lenders are hurting the sector.

Analysts expect the divergence to benefit large companies with the cash to ride out economic turbulence and take advantage of the new climate law. "The earlier stage a deal might be, the more likely it is that the senior decision makers

are suggesting a pause or to review the valuation," said PJ Deschenes, co-head of sustainability-focused investment bank Nomura Greentech. "Those are the things that can slow down markets and kill deals."

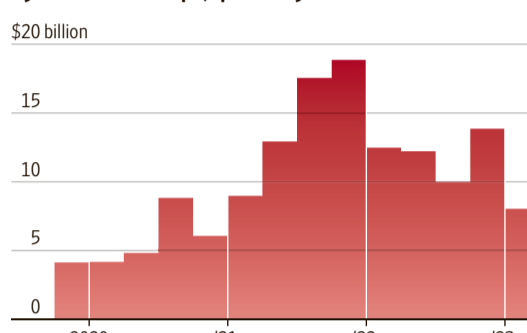
Many investors and businesses are also pausing some climate activity while the Treasury Department completes rules for how tax credits in the Inflation Reduction Act will be implemented. The law sparked a wave of initial investment announcements after it passed in August, but executives say there is a lull while companies wait for clarity on what components qualify as made in the U.S. or what projects will count as clean hydrogen.

Funding for risky companies is cyclical and will likely rebound when rates stop rising or start falling. Green funding has grown so fast recently that it is hard to predict how long the slowdown will last.

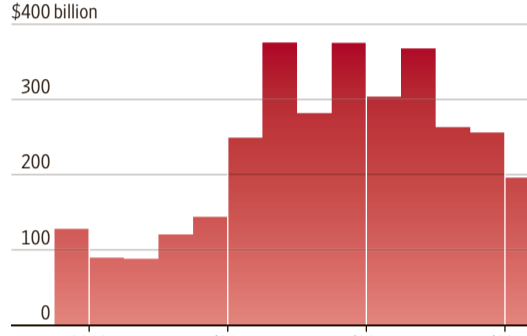
Recent record annual financing figures above \$1 trillion were still well short of what is needed to meet global climate targets, a United Nations climate finance group says.

Many companies took advantage of low interest rates and are now in no hurry to

Amount of equity raised privately by climate startups, quarterly*

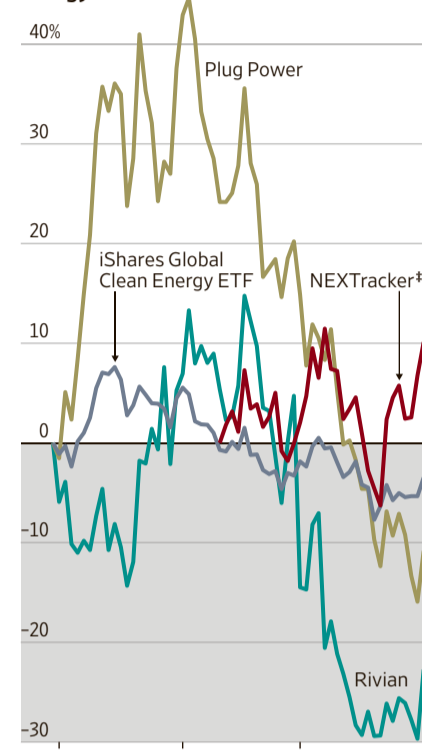


Amount of debt raised for climate projects, quarterly*



*Latest figures through Tuesday. *Includes green and sustainability-linked bonds and syndicated loans; latest figures through Monday. †Trading began in early February. Sources: PitchBook (equity raised); Dealogic (debt raised); FactSet (performance)

First-quarter performance of clean-energy stocks



Hackers Targeted Exxon Foes

Continued from page B1

trated, according to documents viewed by the Journal and people familiar with the matter.

It couldn't be determined if the fund was successfully hacked. The hackers were able to access accounts belonging to employees of other groups that also have campaigned against Exxon, including Greenpeace, Public Citizen and 350.org, among others, according to the documents.

Mr. Azari's attorney, Barry Zone, said his client isn't cooperating with the investigation. The probe is ongoing, according to people familiar with the matter.

"My client accepted responsibility for what he did and he's sorry for the people who were affected," Mr. Zone said. "In terms of the level of magnitude of hacking, I consider my client to be a very small player in that realm."

Lee Wasserman, director of the Rockefeller Family Fund, said he hoped Mr. Azari would disclose who hired him. "This defendant did not decide on his own to follow and target climate advocates in the U.S. from halfway around the world. He was clearly working for corporate actors in this country," Mr. Wasserman said.

According to court documents, Mr. Azari would provide the Indian hackers with information on the main targets for each hacking project as well as on individuals who were connected to the main targets, such as family, friends or co-workers.

The hackers would then send Mr. Azari periodic updates on their efforts. Through target lists and emails related to successful hacks obtained by investigators, prosecutors say they have determined Mr. Azari targeted thousands of individuals and entities.

In addition to climate-change activists, Mr. Azari also targeted hedge funds and other financial institutions.



Environmentalist Bill McKibben was a target of spear phishing.

Mr. Azari has admitted to prosecutors that one of his clients was the now-insolvent German payments company Wirecard, according to a person familiar with the case. The Citizen Lab, a cybersecurity group at the University of Toronto, said it found that hackers engaged in sustained targeting of short sellers, journalists and investigators working on topics related to Wirecard. In a previous statement, Wirecard said it "has at no time been in direct or indirect contact with a hacker group from India."

The government "does not know whether its information is complete," prosecutors wrote in a court filing. "Indeed, there are likely to be thousands of additional individuals and entities who were targeted during the course of the spearphishing and hacking scheme."

A common tactic of hackers, spear phishing is the use of phony messages designed to solicit personal information that can then be used to access private accounts.

The Manhattan U.S. attorney's office has focused some of its investigation on how a private email from Jan. 5, 2016, from one of the activists to other members of environmental groups, was eventually posted online, according to people familiar with the matter.

The email was sent to 16 people about a meeting that was to be hosted on Jan. 8, 2016, by the Rockefeller Family Fund to discuss efforts to sway the public that "Exxon is a corrupt institution that has pushed humanity (and all creation) toward climate chaos and grave harm."

The gathering was held as some of the groups were advising the New York attorney general on a lawsuit it later filed against Exxon in 2018 accusing the oil giant of misleading investors about the risks that climate-change regulations posed to its business.

Others who attended the meeting included climate activist and author Bill McKibben, a co-founder of 350.org, and representatives of Greenpeace and Public Citizen.

According to Citizen Lab, all of the email recipients were the target of spear phishing attempts shortly after the January meeting. The hacking attempts were conducted by an Indian company called BellTroX, according to Citizen Lab. BellTroX was also the firm hired by Mr. Azari, people familiar with the matter said.

The meeting was subsequently described in media reports, including in a Journal article in April 2016. The Washington Free Beacon, a conservative media outlet,

later published a copy of the private email about the January meeting on its website.

Recipients of the email told the Journal that they believed it was obtained through hacking and that everyone on the email had attested they didn't share it with a wider audience.

"We were pretty strict on who was joining and what we were sharing," said Jamie Henn, a co-founder and former communications director for 350.org who received the email and attended the January meeting. "We knew this was explosive material."

Eliana Johnson, the Washington Free Beacon's editor in chief, said in an email that the outlet stood by its reporting.

Exxon eventually cited the email on its website as evidence of "a coordinated campaign perpetuated by activist groups with the aim of stigmatizing ExxonMobil." Exxon's lawyers also have cited the email in briefings in court cases, arguing it demonstrated improper influence by the campaigners on prosecutors pursuing investigations into Exxon.

In his opening statement in the trial stemming from the New York attorney general's lawsuit, Exxon lawyer Ted Wells quoted the email and said it was part of a "vilification agenda."

"They want to talk about how they can get [activist groups] involved to advance that false agenda to try to perpetrate something false," said Mr. Wells, a partner at Paul, Weiss, Rikkind, Wharton & Garrison LLP, during the 2019 trial, in which a New York state judge cleared Exxon of fraud claims.

Mr. Wasserman, the Rockefeller Family Fund director, said Exxon has repeatedly used the email "to develop a convoluted and completely false story about how citizens working together to address climate change are somehow conspirators—a fairytale meant to deflect attention from Exxon's internal corporate documents about the climate catastrophe they knowingly helped cause. It's like the arsonists trying to pin blame on the firefighters."

Exxon called Mr. Wasserman's statement "completely false."

Executives Call for AI Moratorium

Continued from page B1

companies and startups to double down on so-called generative AI, a technology capable of generating original content to human prompts. Buzz around generative AI exploded last fall after OpenAI unveiled a chatbot with its ability to perform functions like providing lengthy answers and producing computer code with humanlike sophistication.

Microsoft has embraced the technology for its Bing search engine and other tools. Alphabet Inc.'s Google has deployed a rival system, and companies such as Adobe Inc., Zoom Video Communications Inc. and Salesforce Inc. have also introduced advanced AI tools.

"A race starts today," Microsoft CEO Satya Nadella said last month. "We're going to move, and move fast."

That approach has spurred renewed concerns that a rapid rollout could have unintended consequences alongside real benefits. Advances in AI have surpassed what many experts believed was possible just a few years ago, said Max Tegmark, one of the organizers of the letter, president of the Future of Life Institute and a physics professor at the Massachusetts Institute of Technology.

"It is unfortunate to frame this as an arms race," Mr. Tegmark said. "It is more of a suicide race. It doesn't matter who is going to get there first. It just means that humanity as a whole could lose control of its own destiny."

The Future of Life Institute started working on the letter last week and initially allowed anybody to sign without identity verification. At one point, Mr. Altman's name was added to the letter, but later removed. Mr. Altman said he never signed the letter. He said the company frequently coordinates with other AI companies on safety standards and to discuss broader concerns.

"There is work that we don't do because we don't think we yet know how to make it sufficiently safe," he said. "So yeah, I think there are ways that you can slow down on multiple axes and that's important. And it is part of our strategy."

Messrs. Musk and Wozniak have both voiced concerns about AI technology. Mr. Musk on Wednesday tweeted that developers of the advanced AI technology "will not heed this warning, but at least it was said."

Mr. Musk at the same time has embraced some AI tools at Tesla for the company's advanced driver-assistance functions. Tesla last month said it was recalling around 362,800 vehicles equipped with its technology marketed as Full Self-Driving Beta. The U.S. top car-safety agency said the technology could, in rare circumstances, violate local traffic laws, potentially increasing the risk of a collision if a driver fails to intervene.

Yann LeCun, chief AI scientist at Meta Platforms Inc., on

An organizer of the letter warns of the possibility of a 'suicide race.'

Tuesday tweeted that he didn't sign the letter because he disagreed with its premise.

Mr. Mostaque, Stability AI's CEO, said in a tweet Wednesday that although he signed the letter, he didn't agree with a six-month pause. "It has no force but will kick off an important discussion that will hopefully bring more transparency & governance to an opaque area," he wrote.

Microsoft declined to comment, and Google didn't respond to a request for comment.

Mr. Tegmark said many companies feel "crazy commercial pressures" to add advanced AI technology into their products. A six-month pause would allow the industry "breathing room," without disadvantaging ones that opt to move carefully.

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.

Footnotes:

-New 52-week high.
+New 52-week low.
dd-Indicates loss in the most recent four quarters.
FD-First day of trading.
H-Does not meet continued listing standards.
I-Late filing.
Q-Temporary exemption from Nasdaq requirements.
t-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.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Wednesday, March 29, 2023

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PUBLICATION NOTICE TO CREDITORS AND DEPOSITORS OF SIGNATURE BRIDGE BANK, N.A. NEW YORK, NY

FDIC On March 20, 2023 (the "Closing Date"), the Office of the Comptroller of the Currency closed SIGNATURE BRIDGE BANK, N.A., New York, NY (the "Failed Institution") and appointed the Federal Deposit Insurance Corporation (the "FDIC") as Receiver (the "Receiver") to handle all matters relating to the Failed Institution.

TO THE CREDITORS OF THE FAILED INSTITUTION All creditors having claims against the Failed Institution must submit their claims in writing, together with proof of the claims, to the Receiver on or before July 17, 2023 (the "Claims Bar Date").

TO THE DEPOSITORS OF THE FAILED INSTITUTION The FDIC, which insures your deposits in its corporate capacity, arranged for the transfer of all deposits ("Deposits") - including the uninsured amounts - at the Failed Institution to another insured depository institution, Flagstar Bank, N.A., Hicksville, NY (the "New Institution").

PUBLIC NOTICES THE HIGH COURT COMMERCIAL Record No. 2023/28 COS 2023 No. 19 C04 IN THE MATTER OF LINDE PLC AND IN THE MATTER OF THE COMPANIES ACT 2014 AND IN THE MATTER OF A PROPOSED REDUCTION OF CAPITAL PURSUANT TO SECTIONS 84 TO 86 OF THE COMPANIES ACT 2014

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PUBLICATION NOTICE TO CREDITORS AND DEPOSITORS OF SIGNATURE BANK NEW YORK, NY On March 12, 2023 (the "Closing Date"), the New York State Department of Financial Services closed SIGNATURE BANK, New York, NY (the "Failed Institution") and appointed the Federal Deposit Insurance Corporation (the "FDIC") as Receiver (the "Receiver") to handle all matters relating to the Failed Institution.

TO THE CREDITORS OF THE FAILED INSTITUTION All creditors having claims against the Failed Institution must submit their claims in writing, together with proof of the claims, to the Receiver on or before July 17, 2023 (the "Claims Bar Date").

TO THE DEPOSITORS OF SIGNATURE BANK The FDIC, which insures your deposits in its corporate capacity, arranged for the transfer of all deposits ("Deposits") - including the uninsured amounts - to SIGNATURE BRIDGE BANK, N.A. On March 20, 2023, the Office of the Comptroller of the Currency closed SIGNATURE BRIDGE BANK, N.A., New York, NY and appointed the Federal Deposit Insurance Corporation as Receiver to handle all matters relating to the Failed Institution.

Dividend Changes

Table with columns: Company, Symbol, Yld%, Amount New/Old, Freq, Payable/Record. Lists dividend changes for companies like TJX, Nogen, etc.

IPO Scorecard

Table with columns: Company, SYMBOL, Wed's Offer price, % Chg From, Offer 1st-day price, % Chg From. Lists IPO performance for companies like HLP, Trailblazer Merger I, etc.

Borrowing Benchmarks

wsj.com/market-data/bonds/benchmarks

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Table with columns: Category, Rate, Week ago, -52-Week-High, -52-Week-Low. Lists inflation, federal funds, U.S. consumer price index, international rates, etc.

Notes on data: U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective March 23, 2023. Other prime rates aren't directly comparable; lending practices vary widely by location; Discount rate is effective March 23, 2023. Secured Overnight Financing Rate is as of March 23, 2023. DTCC GCF Repo Index is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. Federal-funds rates are Tullett Prebon rates as of 5:30 p.m. ET.

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Eric Olsen, Aliaxis SA	Victor Dodig, Canadian Imperial Bank of Commerce	Raanan Horowitz, Elbit America
Stephan Scholl, Alight Solutions	Tracy A. Robinson, Canadian National Railway	Todd Boehly, Eldridge
Simon Freakley, AlixPartners	Aiman Ezzat, Capgemini	Edmund F. Murphy III, Empower
Colin Hunt, Allied Irish Banks plc.	William E. Conway, Jr., Carlyle	Ashish Masih, Encore Capital Group
Luis Maroto, Amadeus	Dr. Patrick O'Shaughnessy, Catholic Health	Börje Ekholm, Ericsson
Claude LeBlanc, Ambac Financial Group	Alex Rinke, Celonis	Shyam Kambeyanda, ESAB Corporation
Julie A. Sloat, American Electric Power	Robert J. Hariri, Celularity	William Pak, ESPRIT
Paul A. Tufano, Amerihealth Caritas	Sarah London, Centene Corporation	David Wagner, Everbridge Inc.
Susan Salka, AMN Healthcare	Margaret Franklin, CFA Institute	Juan C. Andrade, Everest Re Group, Ltd.
Milind Pant, Amway	Shane Caiazzo, CFGI	Bill H. Stoller, Express Employment Professionals
Magnus Grimeland, Antler	Michael Gronager, Chainalysis Inc.	Carmine Di Sibio, EY
Marc J. Rowan, Apollo Global Management	Michael Klein, Churchill Capital Corp	François Locoh-Donou, F5
Matt Calkins, Appian Corporation	William C. Carstanjen, Churchill Downs Incorporated	Philip Snow, FactSet Research Systems, Inc.
Peter Oosterveer, Arcadis	Andy Byrne, Clari	Priscilla Almodovar, Fannie Mae
Judy McReynolds, ArcBest	Robert Clark, Clayco	Daniel L. Florness, Fastenal
Aditya Mittal, ArcelorMittal	Scott W. Wine, CNH Industrial N.V.	Claire L. Babineaux-Fontenot, Feeding America National Organization
J. Patrick Gallagher, Jr., Arthur J. Gallagher & Co.	Antoine Petit, CNRS	Marco Levi, Ferroglobe Plc
Joe Impicciche, Ascension	Robert Willett, Cognex Corporation	Damian Ornani, Fisher Investments
John Gedmark, Astranis	Curt Farmer, Comerica	Revathi Advaiti, Flex
Jean-Claude Dubacher, B. Braun of America	Dirk Hoerig, commercetools	Dave Clark, Flexport
Khalid Humaidan, Bahrain Economic Development Board	Jonathan Brossard, Conexivity Group	Oren Zaslansky, Flock Freight
Manny Maceda, Bain & Co	Damon T. Hininger, CoreCivic	Jim Lico, Fortive
Jonathan Lavine, Bain Capital	Rob Bernshteyn, Coupa Software, Inc.	Jason Zhu, Gemdale USA Corporation
Aman Kochar, Baker & Taylor	Azeez Mohammed, Covanta Holding Corporation	Tony Bates, Genesys
Lorenzo Simonelli, Baker Hughes	Jeffrey M. Solomon, Cowen	Tom McInerney, Genworth Financial, Inc.
Milton Cheng, Baker McKenzie	John Graham, CPP Investments	Thomas Laird, Gilbane Building Company
Jared Wolff, Banc of California	Faiza J. Saeed, Cravath, Swaine & Moore LLP	Mohit Malhotra, Godrej Properties Limited
Bernard Mensah, Bank of America	Dean Hoderoft, Crestbridge	Hayes Barnard, GoodLeap
Patrick Lockwood-Taylor, Bayer	Jay Brown, Crown Castle International Corp.	Scott McIntyre, Guidehouse
Nikos Stathopoulos, BC Partners	Alex Baldock, Currys Plc	Muhammad Aurangzeb, Habib Bank Limited
Wayne Berson, BDO	Karen S. Lynch, CVS Health Corp	Robert C. Garrett, Hackensack Meridian Health
Albert Baladi, Beam Suntory	Hal Yoh, Day & Zimmermann	Chris Cocks, Hasbro, Inc.
Baroness Shields, BenevolentAI	Henry N. Nassau, Dechert LLP	CVK Vijayakumar, HCL Technologies
Bal G. Das, BGD Holdings, LLC	William F. Moore, Defense Commissary Agency	Gajen Kandiah, Hitachi Vantara
Kim Keek, Blue Cross Blue Shield Association	Joe Ucuzoglu, Deloitte	Timothy Walbert, Horizon Therapeutics
Éric Martel, Bombardier	Barry McCarthy, Deluxe	Enrique Lores, HP Inc.
Steve Lucas, Boomi LP		Dr. Amy Schabacker Dufrane, HR Certification Institute
Christoph Schweizer,		Arvind Krishna, IBM

Lawrence Calcano, iCapital Network
 Elie Maalouf, IHG® Hotels & Resorts
 Francis deSouza, Illumina
 Ricardo Amper, Incode Technologies
 Chris Hyams, Indeed
 Óscar García Maceiras, INDITEX S.A.
 Amit Walia, Informatica
 Salil Parekh, Infosys
 John Fortson, Ingevity
 Joyce Mullen, Insight Enterprises
 Tim Adams, Institute of International Finance
 Patrick Gelsinger, Intel Corporation
 Andrés Rubio, Intrum
 Mohammed M. Alardhi, Investcorp Holdings BSC
 Sheikh Ali Alwaleed Al-Thani, Investment Promotion Agency Qatar
 Mike Fey, Island
 Rashmy Chatterjee, ISTARI Global Ltd
 Paolo Gallo, Italgas
 Bill Christensen, JELD-WEN
 Alex Liu, Kearney
 Sue Kench, King & Wood Mallesons
 John Ganem, Kloekner Metals Corporation
 Scott H. Baxter, Kontoor Brands
 Paul Knopp, KPMG
 Karl Chan, Laserfiche
 Jim Anderson, Lattice Semiconductor
 Mike Walsh, LexisNexis
 Allen Waugerman, Lexmark International, Inc.
 Edward Forst, Lion Capital LLP
 Anuj Srivastava, LivSpace
 Justin F. Korsant, Long Light Capital Management
 David Schwimmer, LSEG
 Robert Materazzi, Lukka
 Nick Savasta, Main Gate Capital
 John Q. Doyle, Marsh McLennan
 Gervase Warner, Massy Group
 Ling Hai, Mastercard International
 Ari Sarker, Mastercard Worldwide
 David J. Sorbaro, Mavis Tire Express Services Corp
 Daniel Jablonsky, Maxar Technologies
 Dr. Gianrico Farrugia, Mayo Clinic
 Brian S. Tyler, McKesson
 Bob Sternfels, McKinsey & Company
 Sanjay Mehrotra, Micon Technology
 Satya Nadella, Microsoft Corporation
 AB Periasamy, MinIO
 Amir Movafaghi, Mixpanel
 Dan Cane, ModMed
 Jami McKeon, Morgan Lewis
 Michael Ramlet, Morning Consult
 Andrew Miller, Motability Operations
 Sunil Mittal, Movate
 Nitin Rakesh, Mphasis Ltd.
 Johan Slabbert, MSIG North America
 Dr. Jacob Kam, MTR Corporation Limited
 Andrew Clyde, Murphy USA
 John Linden, Mythical Games
 Adena Friedman, Nasdaq
 Frank Martire, NCR Corporation
 Adam Johnson, NetJets Inc.
 Anil Singhal, NETSCOUT
 Charles Gottdiener, Neustar, Inc.
 Robert Thomson, News Corp
 Rupert Murdoch, News Corp
 Lachlan Murdoch, News Corp
 Lloyd Yates, NiSource
 Stephen Zubiago, Nixon Peabody LLP
 Suresh Krishna, Northern Tool + Equipment
 Michael J. Dowling, Northwell Health
 John E. Schlifske, Northwestern Mutual
 Francesca Cornelli, Northwestern University, Kellogg School of Management
 Bertina Ceccarelli, NPower
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 Abhijit Dubey, NTT LTD
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 Kurt Sievers, NXP Semiconductors
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 Ahmed El-Hoshy, OCI N.V. & Fertiglobe Plc
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 John Romeo, Oliver Wyman Forum
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 Dr. Sándor Csányi, OTP Bank Plc
 Dr. Alex Karp, Palantir
 Bruce F. Lowthers, Paysafe
 Alan Treffer, Pegasystems Inc.
 Paweł Gruza, PKO Bank Polski
 Andrew Marsh, Plug Power
 Cain Hayes, Point32Health
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 Anthony Pratt, Pratt Industries
 Jennifer A. Prosek, Prosek Partners
 Ralph LaRossa, Public Service Enterprise Group Inc
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 Vikram Sharma, QuintessenceLabs
 Sander van 't Noordende, Randstad
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 Dennis E. Abboud, Readerlink, LLC
 Matt Hicks, Red Hat, Inc.
 Mukesh D. Ambani, Reliance Industries Limited
 Sarah M. Chamberlain, Republican Main Street Partnership
 Jay L. Geldmacher, Resideo Technologies, Inc.
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 John Simonian, Richard Mille
 Ann Fandozzi, Ritchie Bros.
 Manoj Menda, RMZ Corp
 Afsaneh M. Beschloss, RockCreek
 Gregory J. Fleming, Rockefeller Capital Management
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 Constantine Alexandrakis, Russell Reynolds Associates
 Sir Martin Sorrell, S4 Capital
 Marc Benioff, Salesforce
 Kathryn McLay, Sam's Club
 Gebhard Rainer, Sandals Resorts International
 Bill Gassen, Sanford Health
 Fahd Hamidaddin, Saudi Tourism Authority
 Mitchell Rudin, Savills
 Ron Dunford, Schreiber Foods, Inc.
 Adar C. Poonawalla, Serum Institute of India
 Bill McDermott, ServiceNow
 Steve Youngwood, Sesame Workshop
 David J. Beveridge, Shearman & Sterling LLP
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 Mark S. Billige, Simon-Kucher
 Dr. Andreas von der Gathen, Simon-Kucher
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 Deepak Nath, Smith+Nephew
 Scott Drury, SoCalGas
 Anthony Hucker, Southeastern Grocers
 Dr. James Downing, St. Jude Children's Research Hospital
 Mark Penn, Stagwell
 Spencer Gracias, Stefanini Group
 Maria Pacheco, Storyful
 Walter Schalka, Suzano
 Brian Doubles, Synchro
 Andrew Davies, Syniverse
 Kevin P. Hourican, Sysco
 Suresh Muthuswami, Tata Consultancy Services
 Terrence R. Curtin, TE Connectivity
 Daniel Julien, Teleperformance
 Paul Keary, Teneo
 Rob Holmes, Texas Capital Bank
 Mark T. Smucker, The J.M. Smucker Company
 Ken Matsuki, The Mainichi Newspapers
 Steve Rigby, The Rigby Group
 Dr. Peter WT Pisters, The University of Texas MD Anderson Cancer Center
 Johnny Hornby, The&Partnership
 Teresa Rasmussen, Thrivent
 Shou Chew, TikTok
 Martijn Hagman, Tommy Hilfiger & PVH Europe
 Christian Lanng, Tradeshift
 Nancy Langer, Transact
 Jonathan M. Pertchik, Travel Centers of America
 Bryan Palma, Trellex
 Jean Savage, Trinity Industries
 Jane Sun, Trip.com
 Dr. Helmut Schuehsler, TVM Capital Healthcare
 Stephanie Linnartz, Under Armour
 Andrea Orcel, UniCredit
 Angela F. Williams, United Way Worldwide
 Gregory William Cappelli, Vanta Global
 Lee M. Shavel, Verisk Analytics, Inc.
 Kyle Malady, Verizon Business
 Sowmyanarayan Sampath, Verizon Consumer Group
 Raghu Raghuram, VMware, Inc.
 Vinod Kumar, Vodafone Business
 Michael Guyette, VSP Vision
 Judith McKenna, Walmart International
 Dr. Udit Batra, Waters Corporation
 Robert J. Pagano, Jr., Watts Water Technologies, Inc.
 Annie A. Young-Scrivner, Wella Company
 David Goeckeler, Western Digital
 Hugh Verrier, White & Case LLP
 Thierry Delaporte, Wipro Limited
 Marty Vanderploeg, Workiva Inc.
 Michael J. Kasbar, World Fuel Services Corporation
 Mark Read, WPP
 Steven Bandrowczak, Xerox
 Brad Jacobs, XPO Logistics Inc
 Joey Wat, Yum China Holdings, Inc.
 Ebenezer Onyeagwu, Zenith Bank Plc
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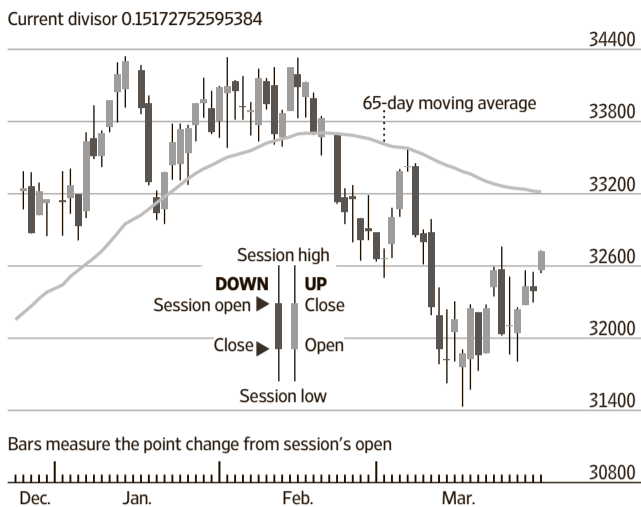
MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

32717.60 ▲ 323.35, or 1.00%
 High, low, open and close for each trading day of the past three months.

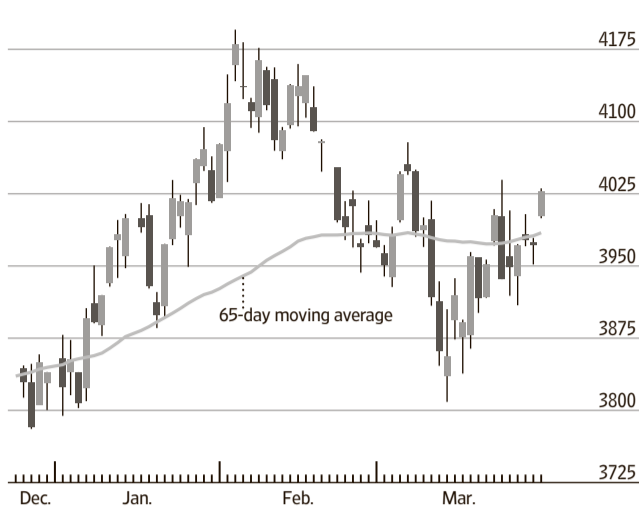
Trailing P/E ratio 21.74 19.56
 P/E estimate * 17.08 18.14
 Dividend yield 2.14 2.00
 All-time high 36799.65, 01/04/22



S&P 500 Index

4027.81 ▲ 56.54, or 1.42%
 High, low, open and close for each trading day of the past three months.

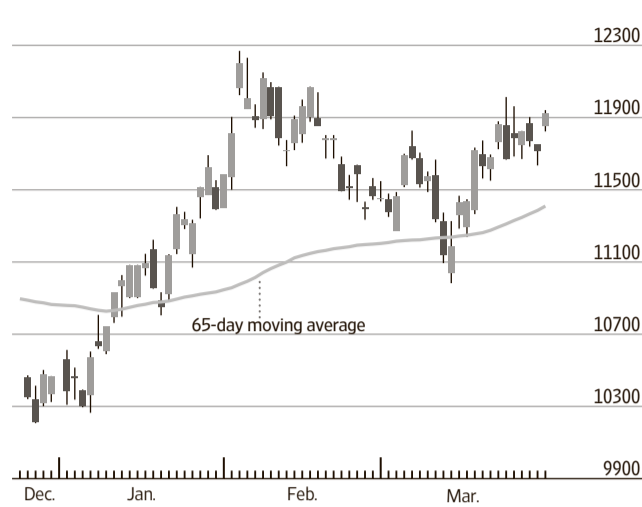
Trailing P/E ratio * 17.72 24.78
 P/E estimate * 17.75 19.85
 Dividend yield * 1.73 1.39
 All-time high 4796.56, 01/03/22



Nasdaq Composite Index

11926.24 ▲ 210.16, or 1.79%
 High, low, open and close for each trading day of the past three months.

Trailing P/E ratio ** 25.63 33.35
 P/E estimate ** 24.85 25.75
 Dividend yield ** 0.87 0.69
 All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	Low	% chg	YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	32728.04	32539.94	32717.60	323.35	1.00	35228.81	28725.51	-7.1	-1.3	14.8
Transportation Avg	14100.40	13984.90	14071.86	137.42	0.99	16546.85	11999.40	-15.0	5.1	22.3
Utility Average	929.44	918.43	928.83	14.62	1.60	1071.75	838.99	-10.9	-4.0	7.0
Total Stock Market	40330.06	40031.66	40302.89	569.03	1.43	46557.30	36056.21	-13.4	4.6	16.4
Barron's 400	925.06	914.48	924.61	10.13	1.11	1035.14	825.73	-10.7	0.5	20.7
Nasdaq Stock Market										
Nasdaq Composite	11941.60	11823.35	11926.24	210.16	1.79	14532.55	10213.29	-17.4	13.9	16.7
Nasdaq-100	12867.32	12734.68	12846.03	235.46	1.87	15159.58	10679.34	-14.8	17.4	19.2
S&P										
500 Index	4030.59	3999.53	4027.81	56.54	1.42	4602.45	3577.03	-12.5	4.9	16.6
MidCap 400	2464.02	2443.83	2462.42	28.65	1.18	2732.60	2200.75	-9.9	1.3	20.1
SmallCap 600	1163.44	1152.39	1160.59	7.51	0.65	1332.35	1064.45	-12.9	0.3	20.1
Other Indexes										
Russell 2000	1771.71	1759.05	1771.60	18.97	1.08	2095.44	1649.84	-15.3	0.6	16.1
NYSE Composite	15128.77	14949.35	15123.96	174.61	1.17	16932.76	13472.18	-10.7	-0.4	14.1
Value Line	547.40	540.32	547.19	6.87	1.27	644.82	491.56	-15.1	2.0	15.9
NYSE Arca Biotech	5240.00	5154.63	5235.64	81.01	1.57	5644.50	4208.43	2.6	-0.9	6.5
NYSE Arca Pharma	832.32	827.20	830.15	0.64	0.08	887.27	737.84	-1.5	-4.3	14.7
KBW Bank	82.36	81.35	82.32	1.69	2.09	128.09	78.06	-35.7	-18.4	6.8
PHLX ^S Gold/Silver	131.31	129.16	130.00	-0.30	-0.23	167.76	91.40	-18.6	7.6	16.7
PHLX ^S Oil Service	79.08	78.29	78.93	0.97	1.25	93.94	56.08	-2.3	-5.9	47.1
PHLX ^S Semiconductor	3176.85	3105.35	3157.11	99.84	3.27	3508.62	2162.32	-10.0	24.7	28.5
Cboe Volatility	19.45	19.09	19.12	-0.85	-4.26	34.75	17.87	-1.1	-11.8	-33.7

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc. †Based on Nasdaq-100 Index
 ‡Nasdaq PHLX
 Sources: FactSet; Dow Jones Market Data

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, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Southwestern Energy	SWN	5,713.5	4.93	0.01	0.20	4.95	4.88
SPDR S&P 500 ETF Trust	SPY	5,533.5	401.39	0.04	0.01	407.24	392.87
Albertsons	ACI	5,474.2	20.25	-0.07	-0.34	20.50	20.25
iSh MSCI Emerging Mkts	EEM	5,147.9	39.25	0.13	0.33	39.25	39.02
iShares MSCI EAFE ETF	EFA	4,736.5	70.50	0.16	0.23	70.50	70.31
iQIYI ADR	IQ	4,721.8	6.97	-0.05	-0.71	7.04	6.96
Cisco Systems	CSCO	3,755.6	51.20	0.03	0.06	51.25	51.05
iShares iBoxx \$ HY Cp Bd	HYG	3,216.2	74.30	...	unch.	74.35	74.23

Percentage gainers...

Company	Symbol	Price	Net chg	% chg	High	Low
Sprinklr CI A	CXM	284.3	11.68	0.80	7.35	13.38
Sweetgreen	SG	250.1	7.10	0.29	4.26	7.10
PacWest Bancorp	PACW	518.7	10.27	0.41	4.16	10.47
Pixys Oncology	PYXS	1,698.0	4.72	0.18	3.96	5.07
Weyerhaeuser	WY	84.6	30.00	0.93	3.20	30.00
...And losers						
Semtech	SMTC	131.6	29.29	-2.82	-8.78	33.15
Near Intelligence	NIR	104.0	2.50	-0.15	-5.66	2.71
Avadel Pharm ADR	AVDL	116.9	8.44	-0.45	-5.06	8.89
RH	RH	789.5	233.55	-12.16	-4.95	250.00
Crown Castle	CCI	159.7	124.58	-6.39	-4.88	130.97

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	892,340,980	9,404,615
Adv. volume*	765,954,200	3,767,705
Decl. volume*	119,435,289	5,109,479
Issues traded	3,127	323
Advances	2,389	175
Declines	635	125
Unchanged	103	23
New highs	41	3
New lows	20	5
Closing Arms [†]	0.63	1.58
Block trades [†]	4,370	109
	Nasdaq	NYSE Arca
Total volume*	4,493,545,035	291,602,973
Adv. volume*	3,845,388,807	238,754,348
Decl. volume*	594,341,468	51,968,002
Issues traded	4,700	1,730
Advances	3,044	1,467
Declines	1,443	255
Unchanged	213	8
New highs	68	7
New lows	143	8
Closing Arms [†]	0.33	1.47
Block trades [†]	33,583	1,455

*Primary market; NYSE, NYSE American, NYSE Arca only. †(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	635.30	7.82	1.25	4.9
	MSCI ACWI ex-USA	294.62	2.74	0.94	4.7
	MSCI World	2739.42	34.66	1.28	5.3
	MSCI Emerging Markets	980.14	9.45	0.97	2.5
Americas	MSCI AC Americas	1528.49	21.79	1.45	4.9
Canada	S&P/TSX Comp	19837.65	180.12	0.92	2.3
Latin Amer.	MSCI EM Latin America	2176.71	35.94	1.68	2.3
Brazil	BOVESPA	101792.52	607.43	0.60	-7.2
Chile	S&P IPSA	3163.86	41.08	1.32	-0.3
Mexico	S&P/BMV IPC	53882.95	673.85	1.27	11.2
EMEA	STOXX Europe 600	450.21	5.76	1.30	6.0
Eurozone	Euro STOXX	448.63	6.46	1.46	9.4
Belgium	Bel-20	3744.81	77.65	2.12	1.2
Denmark	OMX Copenhagen 20	1988.71	23.76	1.21	8.4
France	CAC 40	7186.99	98.65	1.39	11.0
Germany	DAX	15328.78	186.76	1.23	10.1
Israel	Tel Aviv	1732.21	-28.65	-1.63	-3.6
Italy	FTSE MIB	26739.01	409.55	1.56	12.8
Netherlands	AEX	745.54	11.73	1.60	8.2
Norway	Oslo Bors All-Share	1325.78	9.50	0.72	-2.7
South Africa	FTSE/JSE All-Share	76480.11	432.77	0.57	4.7
Spain	IBEX 35	9070.70	126.40	1.41	10.2
Sweden	OMX Stockholm	813.95	13.47	1.68	4.1
Switzerland	Swiss Market	10963.31	124.20	1.15	2.2
Turkey	BIST 100	4943.18	131.73	2.74	-10.3
U.K.	FTSE 100	7564.27	80.02	1.07	1.5
U.K.	FTSE 250	18632.81	236.12	1.28	-1.2
Asia-Pacific	MSCI AC Asia Pacific	160.74	0.98	0.61	3.2
Australia	S&P/ASX 200	7050.30	16.21	0.23	0.2
China	Shanghai Composite	3240.06	-5.32	-0.16	4.9
Hong Kong	Hang Seng	20192.40	407.75	2.06	2.1
India	S&P BSE Sensex	57960.09	346.37	0.60	-4.7
Japan	NIKKEI 225	27883.78	365.53	1.33	6.9
Singapore	Straits Times	3262.54	7.00	0.22	0.3
South Korea	KOSPI	2443.92	8.98	0.37	9.3
Taiwan	TAIEX	15769.76	68.28	0.43	11.5
Thailand	SET	1610.52	3.61	0.22	-3.5

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	High	Low	% chg
Nexters	GDEV	4.60	1.28	38.35	6.20	3.10	-27.9
CBL International	BANL	9.21	2.40	35.24	10.00	4.17	...
Arcturus Therapeutics	ARCT	20.17	4.67	30.13	31.41	11.70	-26.8
RenovoRx	RNXT	3.90	0.87	28.71	5.75	1.50	31.8
Kodiak Sciences	KOD	6.04	1.14	23.27	12.80	4.62	-21.9
Enovix	ENVX	13.65	2.41	21.44	26.30	6.50	-7.2
Kingsport Cloud ADR	KC	7.37	1.27	20.82	7.58	1.77	17.0
EyePoint Pharmaceuticals	EYPT	3.40	0.55	19.30	13.03	2.19	-71.7
Pixys Oncology	PYXS	4.54	0.69	17.92	5.00	1.10	11.0
Jiayin Group ADR	JFIN	3.99	0.58	17.01	3.99	1.57	32.1
BridgeBio Pharma	BBIO	17.56	2.53	16.83	19.95	4.98	69.3
NaaS Technology ADR	NAAS	7.77	1.11	16.67	22.45	2.75	82.8
ComSovereign	COMS	2.76	0.39	16.46	95.00	1.78	-97.0
Conn's	CONN	6.26	0.85	15.71	18.88	4.73	-63.1
Telesat CI A	TSAT	7.50	1.00	15.38	18.21	6.00	-54.4

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
Mullen Automotive	MULN	279,832	23.3	0.10	11.23	3.45	0.09
Bird Global	BRDS	208,515	2545.4	0.25	27.92	2.60	0.11
Troika Media Group	TRKA	194,010	145.7	0.30	49.50	1.27	0.10
Exela Technologies	XELA	126,125	-20.3	0.04	6.57	9.60	0.03
Tesla	TSLA	123,048	-31.2	193.88	2.48	384.29	101.81

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures						
	Open	Contract High	Low	Settle	Chg	Open interest
Copper-High (CMX) -25,000 lbs.; \$ per lb.						
March	4.1330	4.1330	4.1110	4.1150	0.0030	608
May	4.0765	4.1335	4.0495	4.0865	0.0010	112,804
Gold (CMX) -100 Troy oz.; \$ per Troy oz.						
March	1966.10		-6.30	1966.10		59
April	1975.40	1976.00	1959.50	1966.90	-6.60	51,240
May	1983.60	1983.60	1967.70	1975.20	-6.20	1,273
June	1992.10	1993.20	1976.40	1984.50	-5.90	370,936
Aug	2009.50	2009.50	1994.30	2002.10	-5.80	24,462
Oct	2021.20	2025.00	2012.40	2019.20	-5.40	8,328
Palladium (NYM) -50 Troy oz.; \$ per Troy oz.						
March	1399.00	1399.00	1399.00	1425.90	22.40	2
June	1418.50	1451.00	1404.50	1437.10	22.40	11,201
Platinum (NYM) -50 Troy oz.; \$ per Troy oz.						
March	963.60		2.10	963.60		2
July	973.60	981.10	959.20	977.40	5.50	51,299
Silver (CMX) -5,000 Troy oz.; \$ per Troy oz.						
March	23.77	23.77	23.26	23.76	0.052	21
May	23.47	23.55	23.205	23.466	0.046	89,950
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.						
May	73.61	74.37	72.76	72.97	-0.23	307,733
June	73.74	74.48	72.92	73.12	-0.22	246,054
July	73.67	74.40	72.86	73.06	-0.23	220,389
Sept	73.18	73.73	72.27	72.45	-0.27	142,254
Dec	71.94	72.53	71.11	71.29	-0.35	216,326
Dec'24	68.47	68.91	67.84	68.00	-0.26	81,150
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.						
April	2.7581	2.7666	2.6416	2.6581	-0.115	15,659
May	2.6390	2.6562	2.5527	2.5665	-0.076	88,282
Gasoline-NY RB0B (NYM) -42,000 gal.; \$ per gal.						
April	2.7183	2.7360	2.6501	2.6681	-0.040	16,427
May	2.6858	2.6994	2.6207	2.6373	-0.0432	101,167
Natural Gas (NYM) -10,000 MMBtu; \$ per MMBtu.						
April	2.024	2.083	1.944	1.991	-0.39	2,319
May	2.161	2.225	2.103	2.184	-0.07	365,333
July	2.670	2.758	2.607	2.726	-0.067	126,249
Sept	2.702	2.790	2.638	2.751	-0.062	102,792
Oct	2.796	2.884	2.737	2.845	-0.057	103,257
Jan'24	3.854	3.927	3.801	3.895	-0.42	76,209

Agriculture Futures						
	Open	Contract High	Low	Settle	Chg	Open interest
Corn (CBT) -5,000 bu.; cents per bu.						
May	646.25	655.50	645.75	650.50	3.25	460,883
July	628.50	636.25	627.00	630.50	1.00	373,460
Oats (CBT) -5,000 bu.; cents per bu.						
May	379.25	385.75	374.00	376.00	-3.25	2,600
July	366.00	373.25	364.75	365.50	-4.75	768
Soybeans (CBT) -5,000 bu.; cents per bu.						
May	1466.00	1479.75	1462.50	1477.25	9.50	277,041
July	1443.00	1453.75	1437.00	1450.75	6.25	199,080
Soybean Meal (CBT) -100 tons; \$ per ton.						
May	457.30	461.90	455.40	458.20	-3.00	149,458
July	453.10	457.20	451.40	453.80	-2.00	125,049
Soybean Oil (CBT) -60,000 lbs.; cents per lb.						
May	54.92	55.56	54.50	55.38	-33	148,291
July	54.99	55.60	54.58	55.46	-34	121,078
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.						
May	17.72	17.89	17.60	17.71	-0.04	4,096
Sept	15.90	15.95	15.90	15.93	-0.03	2,661
Wheat (CBT) -5,000 bu.; cents per bu.						
May	698.25	724.00	696.50	704.75	5.00	181,145
July	710.50	735.25	708.75	716.25	4.75	107,226
Wheat (KC) -5,000 bu.; cents per bu.						
May	869.50	896.50	867.00	870.50	-2.00	75,918
July	855.50	880.75	853.50	857.00	-2.25	53,178
Cattle-Feeder (CME) -50,000 lbs.; cents per lb.						
March	191.650	191.850	191.375	191.450	-0.275	2,414
May	200.525	202.625	200.175	202.525	1.725	23,953
Cattle-Live (CME) -40,000 lbs.; cents per lb.						
April	165.050	165.875	164.925	165.825	-0.875	35,922
June	158.900	159.675	158.825	159.650	-0.750	126,145
Hogs-Lean (CME) -40,000 lbs.; cents per lb.						
April	77.150	77.600	76.650	76.775	-0.975	29,489
June	92.150	92.400	90.425	90.825	-1.900	92,756
Lumber (CME) -110,000 bd. ft.; \$ per 1,000 bd. ft.						
May	383.40	383.50	373.80	376.10	-6.10	1,592
Milk (CME) -200,000 lbs.; cents per lb.						
March	18.05	18.08	18.03	18.06	-0.01	5,015
April	19.48	19.70	19.34	19.50	-0.02	5,350
Cocoa (ICE-US) -10 metric tons; \$ per ton.						
May	2,900	2,903	2,874	2,880	-0.21	125,032
July	2,870	2,870	2,847	2,853	-17	106,052
Coffee (ICE-US) -37,500 lbs.; cents per lb.						
May	174.70	175.25	168.60	169.70	-4.05	72,148
July	173.80	174.35	167.95	168.95	-4.05	47,924

Macro & Market Economics

Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended March 24. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

Inventories, 000s barrels						Imports, 000s barrels per day						
	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Crude oil and petroleum prod	1,237,299	...	1,248	1,139	1,251	1,233	7,600	...	8,249	8,378	7,978	8,855
Crude oil												
excluding SPR	473,691	300	481	410	478	456	5,325	...	6,172	6,259	5,996	6,737
Gasoline	226,694	...	230	239	233	239	873	...	471	656	560	729
Finished gasoline	15,456	-1,600	14	19	16	21	107	...	95	143	99	80
Reformulated	24	...	0	0	0	0	0	...	0	0	0	0
Conventional	15,432	...	14	19	16	21	107	...	95	143	99	80
Blend components	211,238	...	215	220	217	219	766	...	376	514	461	648
Natural gas (bcf)	1,900	...	2	1	2	2
Kerosene-type												
jet fuel	38,249	...	37	36	37	39	125	...	157	163	183	107
Distillates	116,683	-1,100	116	114	119	128	146	...	222	155	166	164
Heating oil	7,037	...	7	7	7	9	1	...	1	0	1	11
Diesel	109,646	...	109	106	112	59	145	...	221	155	165	154
Residual fuel oil	30,673	...	31	28	31	32	169	...	70	188	102	170
Other oils	269,539	...	268	252	268	273	789	...	1,042	830	827	808
Net crude, petroleum products, incl. SPR	1,608,878	...	1,620	1,707	1,623	1,864	-3,022	...	-3,695	-220	-2,814	866

Weekly Demand, 000s barrels per day						Natural gas storage	
	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg	Billions of cubic feet; weekly totals
Total petroleum product	20,476	...	20,026	19,874	19,666	18,720	4250
Finished motor gasoline	9,145	...	8,960	8,499	8,815	8,297	3250
Kerosene-type jet fuel	1,446	...	1,604	1,385	1,585	1,301	2250
Distillates	3,713	...	3,974	3,804	3,734	3,813	1250
Residual fuel oil	162	...	45	180	132	263	
Propane/propylene	1,091	...	1,034	1,401	1,018	...	
Other oils	4,918	...	4,410	4,605	4,382	...	

Note: Expected changes are provided by Dow Jones Newswires' survey of analysts. Previous and average inventory data are in millions. Sources: FactSet; Dow Jones Market Data; U.S. Energy Information Administration; Dow Jones Newswires

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session									
Wednesday, March 29, 2023					ETF				
ETF	Symbol	Closing Price	Chg (%)	YTD (%)	ETF	Symbol	Closing Price	Chg (%)	YTD (%)
CnsmDiscSelSector	XLY	144.39	1.90	11.8	iSh1-5YIGCorpBd	IGSB	50.33	0.16	1.0
CnsStapleSelSector	XLP	73.90	0.56	-0.9	iSh1-3YTreasBd	SHY	82.05	-0.04	1.1
DimenUSCoreEq2	DFAC	25.00	1.21	3.0	iShRPdIncm	PFF	30.70	0.82	0.6
EnSelSectorSPDR	XLE	81.90	1.39	-6.4	iShRuss1000	IWR	68.41	1.54	1.4
FinSelSectorSPDR	XLF	31.87	1.46	-6.8	iShRuss1000Val	IWF	238.70	1.53	11.4
HealthCareSelSector	XLV	127.40	0.28	-6.2	iShS&P500Growth	IWD	149.73	1.36	-1.3
IndSelSectorSPDR	XLI	99.65	1.46	1.5	iShRussell2000	IWM	175.42	1.14	0.6
InvsCQQQ	QQQ	312.72	1.82	17.4	iShS&P500G	IVV	62.58	1.28	7.0
InvsCSP500EUV	RSPO	141.82	1.50	0.4	iShS&P500Value	IVE	148.89	1.54	2.6
iShCoreDivGrowth	DGR	49.19	1.07	-1.6	iShSelectDiv	DYV	115.66	1.43	-4.1
iShCoreMSCIEAFE	IEFA	65.78	1.20	6.7	iSh7-10YTreasBd	IEF	98.43	-0.17	2.8
iShCoreMSCIEM	IEMG	48.35	0.29	3.5	iShShortTreasBd	SHV	110.47	0.01	0.5
iShCoreMSCITotInt	IUSV	60.07	0.98	5.5	iShTIPSBondETF	TIP	109.59	0.19	3.0
iShCoreSP500	IVV	403.15	1.45	4.9	iSh20+YTreasBd	TLT	104.32	-0.20	4.8
iShCoreSP500MC	IUM	245.14	1.23	1.3	iShUSTreasuryBd	GOVT	23.23	-0.13	2.2
iShCoreSP500SC	IUSP	94.96	0.68	0.3	JPMEquityPrem	JEPI	54.00	0.84	-0.9
iShCoreSP700US	ITOT	88.73	1.48	4.6	JPMUITShIncm	JPST	50.30	...	0.3
iShCoreTotalUSDBd	USDB	45.82	0.17	2.0	SPDRSP500	SPY	401.35	1.12	4.4
iShCoreUSAggBd	AGG	99.05	0.12	2.1	SPDRDJIA Tr	DIA	327.08	1.01	-1.3
iShESGAwareUSA	ESGU	88.58	1.48	4.5	SPDRGold Tr	GLD	182.53	-0.50	7.6
iShEdgeMSCIIndia	ESMU	71.61	0.96	-0.7	SPDRFTDevxUS	SPFV	31.58	1.15	6.4
iShEdgeMSCIUSAQd	QUAL	121.53	1.35	6.6	SPDRS&P500Value	SPV	39.96	1.55	2.8
iShGoldTr	IAU	37.24	-0.51	7.7	SPDRRHS&P500	SPRG	47.19	1.42	4.9
iShIBoxxStmGrCpBd	LQD	108.48	0.41	2.9	SPDRS&P500Growth	SPG	54.22	1.31	7.0
iShPUMUSEmBd									

BANKING & FINANCE

Banks Reclassify Bonds

Continued from page B1 relevant to assets that banks wouldn't sell.

The banks' held-to-maturity bonds had a combined \$1.14 trillion balance-sheet value as of Dec. 31, up from \$681 billion a year earlier.

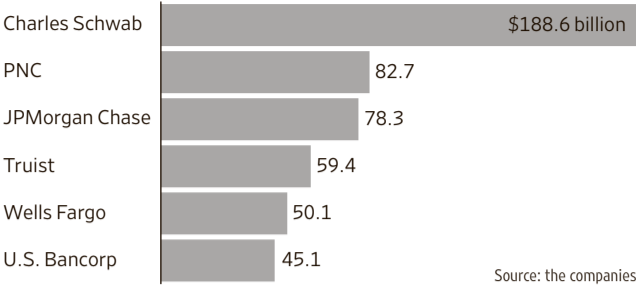
The \$1.14 trillion figure was \$118 billion, or 12%, higher than the bonds' fair-market values, disclosed in footnotes to the banks' financial statements.

A year earlier, the difference between the held-to-maturity bonds' market value and balance-sheet value was negligible. Most of the securities were backed by the U.S. government.

The large gap between the stated values and actual values of banks' assets has fueled growing concern about whether a significant portion of many banks' capital is illusory.

The six banks' reclassifications were part of an industry-wide shift last year as bond prices fell.

Amount of debt securities reclassified last year as 'held-to-maturity' that previously were labeled 'available-for-sale.'



trywide shift last year as bond prices fell. About 48% of securities held by U.S. banks were classified as held to maturity at the end of 2022, up from 34% a year earlier.

The biggest such reclassification was by Charles Schwab, which is structured as a savings and loan holding company and regulated by the Fed.

PNC transferred \$82.7 billion of bonds to held to maturity from available for sale. JPMorgan Chase & Co. transferred \$78.3 billion.

"This is an artificial accounting construct, not an

economic measure of the value of the assets," said Sandy Peters, head of financial reporting policy for the CFA Institute.

Silicon Valley Bank's parent, SVB Financial Group, didn't reclassify any securities last year, and most of its bonds were labeled held to maturity from the get-go.

By the end of last year, the fair-market value of Schwab's held-to-maturity bonds was \$14.1 billion less than their balance-sheet value.

A Schwab spokeswoman pointed to a March 23 open letter by the company's co-chairmen, Charles Schwab and Walt Bettinger.

At Wells Fargo, unrealized losses on held-to-maturity securities were \$41.5 billion, equivalent to 23% of total equity.

In their annual reports, most of the banks said they did the transfers to keep the fair-value changes out of their equity and capital metrics.

Wells Fargo said it made the transfers "to reposition the overall portfolio for capital management purposes."

Jeffrey Shelman, a U.S. Bancorp spokesman, said: "We are always making decisions to manage our balance sheet to ensure appropriate liquidity, balanced by the desire to mitigate the volatility that is associated with interest-rate movements."

Accountant Pay Climbs Sharply

By MARK MAURER

Salaries offered to U.S. accountants and auditors last year climbed at their quickest pace in recent years.

Fewer people are pursuing degrees in accounting and starting new jobs in this area, resulting in more open positions for related roles and searches that take longer to complete.

On average, U.S. accountants and auditors' offered starting salaries for entry-level positions rose 13% to nearly \$61,000 in 2022, compared

with increases of 4% in 2021 and 2% in 2020, according to a review of job postings from Revelio Labs Inc.

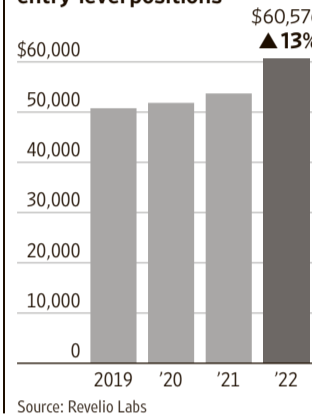
The Center for Audit Quality, one of several professional organizations stepping up their outreach, last year launched an effort to increase awareness about accounting opportunities among high-school and college students.

Some members of the profession don't see the recent salary raises as enough to boost the ranks of entrants.

To build enthusiasm around the profession, firms, recruiters and professional organizations need to show accounting graduates that there is a significant technology bent to the work.

"I just don't think giving a ton of 25% pay raises across the board is going to reverse what's been building over the last two decades," he said.

U.S. accountants and auditors' average offered salaries for entry-level positions



Biggest 1,000 Stocks

Table with columns for Stock, Sym, Close, Net Chg, and sub-sections for R, S, T, U, V, W, X, Y, Z.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session.

Table with columns for Stock, Sym, Hi/Low, % Chg, and sub-sections for Highs and Lows.

Mutual Funds

Table with columns for Fund, NAV, Chg, % Ret, and sub-sections for Global, Domestic, and International funds.

MARKETS

Stocks Jump as Banking Fears Ease

Technology, other growth sectors help to fuel broad-based market gains

BY ERIC WALLERSTEIN
AND CHELSEY DULANEY

Stock indexes rose, aided by easing global banking concerns.

The S&P 500 added 56.54 points, or 1.4%, to 4027.81. The Dow Jones Industrial Average gained 323.35 points, or 1%, to 32717.60. The tech-heavy Nas-

WEDNESDAY'S MARKETS

daq Composite rose 210.16 points, or 1.8%, to 11926.24. All of the S&P 500's 11 sectors finished in the green.

After a string of bank collapses and mergers, lack of news might be good news for stocks. American-traded shares of **UBS Group AG** rose 83 cents, or 4.3%, to \$20.10 after the bank said Sergio Ermotti would return as chief executive following its recent takeover of Credit Suisse. The lender's Swiss-listed shares also advanced.

"Anyone making near-term forecasts for the U.S. stock market right now needs a considerable amount of humility," said Chris Brightman, chief ex-

ecutive officer and chief investment officer at Research Affiliates. "There always is uncertainty, but it's especially higher today."

First Republic Bank—the beleaguered U.S. regional bank that has come under pressure owing to its similarities to recently failed peers—advanced 76 cents, or 5.6%, to \$14.26.

Wall Street is still assessing how the recent banking shakeup will affect the broader economy. The number of houses going under contract in the U.S. unexpectedly rose in February for a third consecutive month.

Technology and other growth stocks, which tend to benefit most from a brighter economic outlook due to investors' hopes for future profits, helped lead Wednesday's charge. **Micron Technology** jumped \$4.26, or 7.2%, to \$63.54 after the chip maker said industry fundamentals were improving. Tech stocks added 2.1% on the day.

Mr. Brightman said he has plowed all of his liquid cash into Treasury inflation-protected securities. Adding roughly 0.5% monthly inflation—forecast by the Federal Reserve Bank of Cleveland—to TIPS' yields, which now sit above 1%, increases them to offer more than 7% a year. That

Index performance Wednesday



Source: FactSet

is because the value of those bonds fluctuates with the consumer-price index.

"It's a great yield," he said. If inflation continues to rise, the bonds' prices rise, and if there is a financial crisis, then bondholders are exposed to the safety of the U.S. government. U.S. stocks also remain historically overvalued and the equity risk premium—stocks' expected earnings over safer Treasury—s is "pretty damn skinny," according to Mr. Brightman.

Stocks have largely trotted

higher this year: The Nasdaq Composite is set to gain 14% in the first quarter, snapping a yearlong losing streak. Investor optimism has persisted, despite bank failures and lingering macroeconomic issues.

"The trends from last year are still broadly in place," said Meb Faber, co-founder and chief investment officer of Cambria Investment Management. "U.S. stocks are still generally expensive, and inflation remains elevated."

Renewed hopes for the Fed-

eral Reserve to stop tightening financial conditions and for the economy to skirt a recession have led to beaten-down tech stocks and bonds episodically soaring for multiweek periods. Fed rate increases—or hot economic data auguring further hikes down the road—tended to throw a wrench in those trades. Still, investors continue to buy stock-market dips, particularly favoring large tech-company shares.

Mr. Faber said he is positioning for value stocks and foreign stocks, particularly shares that meet both criteria, to outperform over the next decade.

Anxiety that rushed into the market during the recent banking turmoil seems to have leaked back out.

The Cboe Volatility Index, or VIX, hovered around 19, a level indicative of complacency. The VIX—sometimes referred to as Wall Street's "fear gauge"—measures options pricing tied to the S&P 500 in about a month. Just a couple of weeks ago, it had crossed 30, signifying investors were racing to protect themselves from a downturn.

The 10-year Treasury yield edged lower to 3.565% from 3.566% on Tuesday.

Oil prices dropped after

looking set for gains earlier in the day. Brent crude oil fell 0.5% to \$78.28 a barrel.

Overseas, the Stoxx Europe 600 index added 1.3%. Early Thursday, Japan's Nikkei 225 was down 0.7%, Hong Kong's Hang Seng Index was down 0.5% and the Shanghai Composite was down 0.4%. S&P 500 futures fell 0.1%.

AUCTION RESULTS

Here are the results of Wednesday'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.

17-WEEK BILLS

Applications	\$95,445,502,900
Accepted bids	\$36,773,062,900
* noncompetitively	\$903,945,400
* foreign noncompetitively	\$100,000,000
Auction price (rate)	98.419944 (4.780%)
Coupon equivalent	4.938%
Bids at clearing yield accepted	44.69%
Cusip number	9127976A9

The bills, dated April 4, 2023, mature on Aug. 1, 2023.

SEVEN-YEAR NOTES

Applications	\$83,785,864,100
Accepted bids	\$35,000,010,400
* noncompetitively	\$47,364,100
* foreign noncompetitively	\$0
Auction price (rate)	99.993866 (3.626%)
Interest rate	3.625%
Bids at clearing yield accepted	49.91%
Cusip number	91282ZC54

The notes, dated March 31, 2023, mature on March 31, 2030.

ONE-YEAR, 10-MONTH FRNS

Applications	\$77,298,254,800
Accepted bids	\$22,000,134,800
* noncompetitively	\$26,254,800
Spread	0.200%
Bids at clearing yield accepted	35.68%
Cusip number	91282ZG2

The floating-rate notes, dated March 31, 2023, mature on Jan. 31, 2025.

Deutsche Bank Selloff Puts Focus On Default Swaps

BY ANNA HIRTENSTEIN
AND PATRICIA KOWSMANN

Last week's selloff in Deutsche Bank AG shares and bonds has drawn attention from regulators and sparked broad debate about whether credit-default swaps caused the market stress or simply reflected investor unease.

The instruments are derivatives that effectively insure the holder against a corporate default. The cost of insuring Deutsche Bank's debt against default in this way surged late last week, helping fuel an 8.5% decline in the bank's Frankfurt-traded stock on Friday. The episode had echoes of a social-media frenzy around Credit Suisse Group AG last fall, in which default-swap pricing also fed into a broader loss of confidence.

Deutsche Bank shares have since regained much of the ground they lost Friday. The prices on Deutsche Bank credit-default swaps, however, have come down only somewhat and remain higher than before last week's selloff.

Despite complaints about liquidity, default-swap volumes surged.

Compared with stock or government bond markets, trading in default swaps is relatively thin. In the three months through Dec. 23, daily trading in Deutsche Bank swaps averaged nine contracts insuring a total \$50 million of debt, according to data from Depository Trust & Clearing Corp.

That means a small number of trades could move the market substantially, investors and analysts say. Trading volumes have fallen sharply since the global financial crisis, partly due to the introduction of Basel III rules about a decade ago for banks that made it less attractive for banks to trade these swaps.

Andrea Enria, chair of the European Central Bank's supervisory board, told a conference this week that the default-swap market for single corporate borrowers was "very opaque, very shallow and very illiquid."

"With a few million you can move the CDS spreads of trillion-euro-asset banks and contaminate stock prices and possibly also deposit outflows," Mr. Enria said. The ECB doesn't oversee eurozone financial markets.

A spokesman for the European Securities and Markets Authority said "ESMA, together with the national regu-

lators, has been looking into the recent market movements, including in the CDS market." A spokeswoman for German regulator BaFin said that it kept "an eye on current market developments."

Investor confidence in European banks had already been shaken, making it hard to determine how much of last week's selloff was due to the default-swap surge.

After Silicon Valley Bank and Signature Bank collapsed in the U.S. and Credit Suisse was taken over by UBS Group AG, concerns about Europe's banking sector had proliferated. The Stoxx Europe 600 banks subindex is down nearly 16% in March.

"Normally the equity market doesn't care much about the CDS market, but last week was not a normal week," said Jérôme Legras, managing partner at Axiom Alternative Investments.

The surprise wipeout of some \$17 billion of riskier Credit Suisse debt also unsettled many credit investors. The spread, or extra yield versus risk-free debt, on an ICE index of financial bonds in euros jumped in recent sessions, peaking on March 20, a day after Credit Suisse's emergency weekend takeover.

Despite complaints about market liquidity, default-swap volumes surged last week, suggesting fundamental demand from investors for protection. Activity in bank swaps rose last week, according to JPMorgan analysts, with more trading in Deutsche Bank swaps than those of any other European bank barring Credit Suisse. Contracts protecting an average of \$222 million of Deutsche Bank debt against default traded daily, the JPMorgan team said.

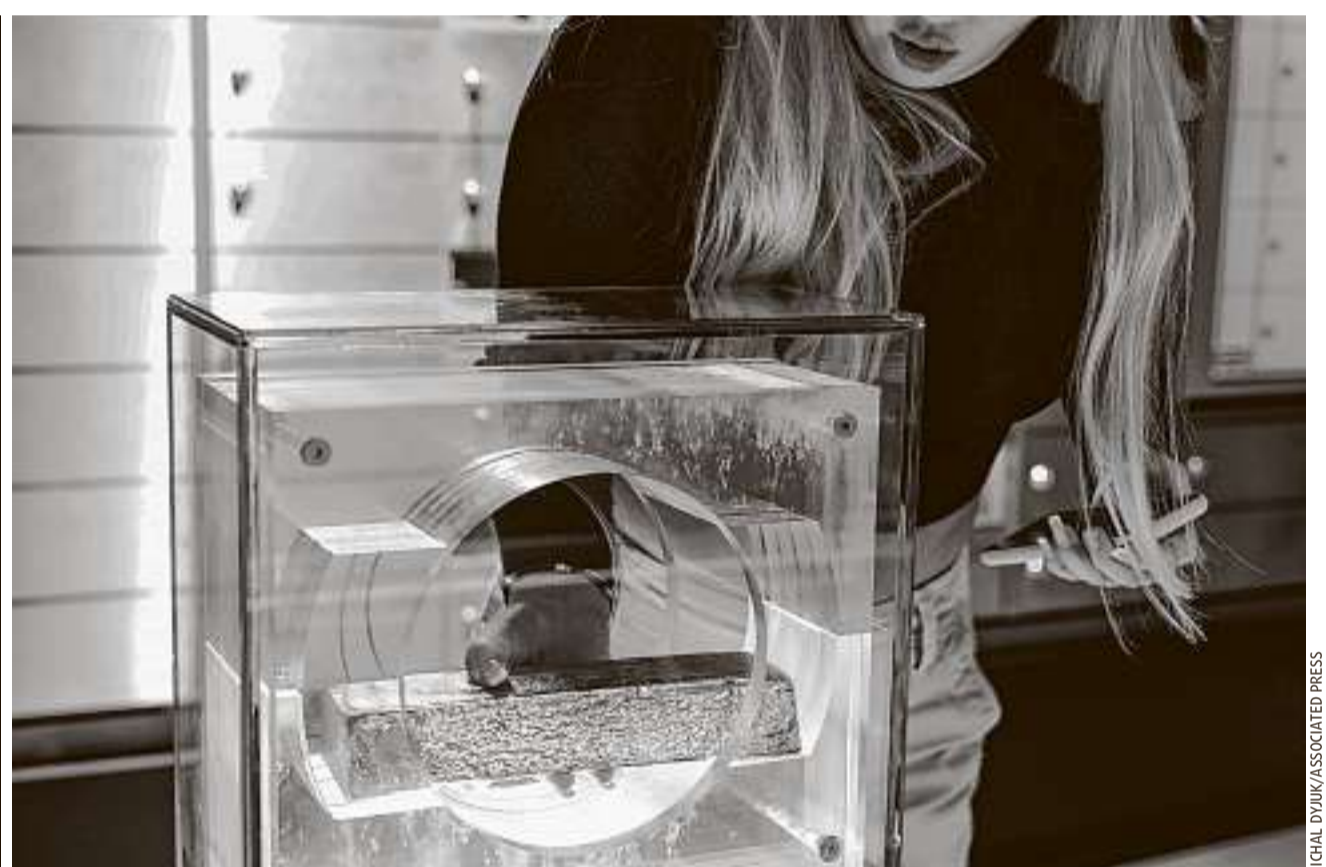
"I think there's going to be increasing pressure on banks. I've derisked quite a bit," said Jon Jonsson, a credit portfolio manager at Neuberger Berman.

Credit derivatives aren't the only way to express a lack of confidence in a company.

Bets on a fall in Deutsche Bank's shares have crept up in recent weeks. The percentage of the bank's shares on loan rose to 3% last Friday and hit 5.5% Tuesday, S&P Global Market Intelligence data show. Short sellers borrow a company's shares and sell them, reckoning they can later buy the stock back at a lower price to close their position.

The only investor that has recently publicly disclosed a net short position was **Marshall Wace LLP**, a London-based hedge-fund manager, which held a 0.7% position as of March 28, official data show.

In Europe, investors don't have to publish data on short positions below 0.5%.



The relative appeal of gold has increased as investors' flight into safer investments has driven down yields on government debt.

Financial Woes Fuel Gold Rally

Continued from page B1

interest-rate increase campaign, which could drive further gains. The Fed raised rates a quarter-percentage-point last week while signaling that the stress on the banking system could end rate increase sooner than investors or officials recently anticipated.

Shares of gold producers have been some of the best performers this month. **Newmont Corp.** has rallied roughly 11%, Canadian-listed shares of

Barrick Gold Corp. added about 14% and **Kinross Gold Corp.** advanced around 27%. That compares with a 1.5% gain for the S&P 500.

Investors have poured about \$1.26 billion into gold mutual and exchange-traded funds during the week ended March 22, the largest weekly net inflow since April 2022, EPFR data show. Todd Jones, chief investment officer at Gratus Capital in Atlanta, said he plans to buy shares of gold funds for the first time since the European debt crisis in 2009.

"During periods of confidence being lost in the financial system or big drawdown periods, it tends to be when gold does the best," Mr. Jones said.

The banking tumult sent gold prices above \$2,000 for

the first time since Russia invaded Ukraine, when worries about the war sparking losses in other investments powered a rally in the precious metal. But the Fed's aggressive rate moves and rising bond yields, adjusted for inflation, weighed on prices in the few months following the invasion. Gold finished 2022 nearly flat.

Prices have climbed again this year, lifted first by hopes that slowing growth and cooling inflation would prompt a letup from the Fed, then by fears that banking trouble would fuel a slowdown. The gains have left gold trading about \$100 below its record of \$2,069.40 in August 2020.

Those worries have prompted some big price swings. The CME Group Gold Volatility Index recently hit its

highest level since last spring. Traders also have been positioning for greater upside risk than downside risk in the future.

The picture in markets and the economy remains murky. Recent gains in stocks have raised hopes the banking turmoil is receding. Bitcoin has climbed about 20% this month. Inflation has remained hot, which could prompt the Fed to resume rate increases later in the year.

For now, however, some are betting the gains can continue. "As long as growth continues to slow and inflation comes down, we're going to want to own" gold, said Michael Landsberg, chief investment officer at Landsberg Bennett Private Wealth Management in Punta Gorda, Fla.

Binance Suit Targets Ex-Compliance Chief

BY MENGQI SUN

The suit by U.S. regulators against **Binance Holdings Ltd.** focuses in large part on the work of the cryptocurrency exchange's former chief compliance officer, alleging he willfully aided and abetted the firm in evading U.S. laws.

Samuel Lim, Binance's compliance chief between 2018 and 2022, faces civil charges of undermining Binance's compliance program and conducting activities to evade rules designed to prevent illicit financial activity, the Commodity Futures Trading Commission said Monday.

Mr. Lim resides in Singapore, but Binance refused to provide his residential address in response to a CFTC investigative subpoena, according to the agency. The CFTC is seeking monetary penalties and a possible trading and registration ban for Mr. Lim, as well as a disgorgement of profits from Binance itself.

The CFTC, the derivatives market regulator, alleged that Mr. Lim and other officers promoted the use of creative means to help the exchange's customers circumvent Binance's compliance controls. He allegedly implemented a corporate policy that advised Binance's U.S. customers to use virtual private networks, or VPNs, to avoid Binance's internet protocol address-based controls or to create new offshore shell companies to avoid the exchange's anti-money-laundering controls, according to a complaint filed by the CFTC in Chicago federal court.

The complaint also details Binance's internal conversations and business strategies in which, for instance, the exchange allegedly favored customers "closely associated with illicit activity" opening new accounts and continuing to trade on the platform, rather than removing customers that presented regulatory risk.

"Binance has been aware

that its compliance controls have been ineffective. As Lim—at the time Binance's CCO—recognized in an October 2020 chat with other Binance compliance personnel, Binance's compliance environment has amounted to 'email sending and no action...for media pickup...I guess you can say [it's] 'fo sho,' meaning it was for show, according to the CFTC complaint.

In another instance, CFTC said in the complaint that Mr. Lim acknowledged in a chat in 2020 that some Binance customers, including ones from Russia, "are here for crime." His money-laundering reporting officer agreed and said, "We see the bad, but we close 2 eyes."

Mr. Lim couldn't be reached for comment.

"The complaint filed by the CFTC is unexpected and disappointing as we have been working collaboratively with the CFTC for more than two years," a spokeswoman for Binance said.

The charges against Mr. Lim represent the CFTC's increasing scrutiny in regulating the crypto industry, particularly in holding company executives accountable, said Rory Doyle, financial crime policy manager at regulatory tech provider Fenengo. Most fines levied by regulators were against institutions, according to an analysis of regulatory enforcement actions Fenengo conducted recently. But Mr. Doyle said the personal liability risks for compliance officers and money-laundering reporting officers are rising.

The increased pressure on the crypto industry, where the rules are still evolving, have stoked the anxiety of individual crypto compliance officers and other legal professionals in recent months, according to industry participants.

Mr. Doyle said while people are innocent until proven guilty, "for this kind of action to stop, there must be some kind of individual liability."

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Icahn Seeks Illumina CEO's Return

Billionaire activist signals he wants retired chief to come back and Grail divested

Bob Iger's return to Disney is inspiring copycats as other activists look to bring veteran chiefs back from retirement. **Illumina**, the San Diego maker of gene-sequencing machines, could be next.

Earlier this month, Carl Icahn launched a proxy battle at Illumina, nominating three people to the board. In a letter to shareholders, he argued the board failed them by allowing management to close the acquisition of cancer-screening company Grail despite antitrust concerns. Now he is making it clear he wants change at the management level too, and he has a candidate in mind for the top spot: former CEO Jay Flatley.

"They should bring Flatley back as CEO immediately," Mr. Icahn said in an interview, without specifying whether he has been in contact with the former CEO about the idea. "He obviously knows the company and did a good job with it."

Mr. Flatley, who helmed the company through a high-growth period between 1999 and 2016, is credited with transforming Illumina into the leading global maker of gene-sequencing products. He was succeeded by current CEO Francis deSouza in 2016 but stayed on as executive chairman until 2019, and then just chairman until May 2021.

Since Mr. Icahn launched his proxy battle, Mr. Flatley has stayed quiet in public. But he told the Financial Times in January that the company overpaid for Grail, and, "if nothing happens on this in the next year, I think the grumbling will probably get louder....Francis is at the point of that spear." He wasn't wrong about that. (Notably, Mr. Flatley was on the board when the Grail purchase was announced in 2020, but no longer there when the deal closed in August 2021.)

The fact that Mr. Icahn's goal—beyond board seats—is to get rid of



Jay Flatley is credited with transforming Illumina into the leading global maker of gene-sequencing products.

Mr. deSouza, shouldn't be surprising. And it underscores why this battle may go down to a vote even though proxy battles generally settle.

"The Grail matter will, at some point, be resolved. Most likely, it will be spun off sometime next year," Don Bilson, an analyst at Gordon Haskett, wrote on March 21. "We suspect Icahn knows this and understands that this process can't be sped up much faster. But we doubt he is at Illumina just for that. More likely, he wants deSouza's head on a platter and the strategic options that might flow from that beheading."

The European Commission said in December it wants Illumina to unwind the Grail deal and return the company to the level of independence it had before the acquisition. Illumina said it is moving as quickly as possible to define "the conditions and options of a poten-

tial divestiture," but it is appealing European jurisdiction over the deal.

The company argues Grail has tremendous long-term value creation potential. It says if a 140,000-participant study of the Galleri test, which screens blood samples for several types of cancer, in the U.K. is successful, the National Health Service would then roll out the Galleri test to one million people in the U.K. beginning in 2024. Illumina's position is that it will pay off to sit tight.

Mr. Icahn makes the opposite point. Under current macroeconomic conditions, he says, Illumina can't afford to keep the company, which lost more than \$600 million last year. "They don't have the money, and especially in this environment, they won't be able to keep funding this money-losing business," he said.

He added: "This is an urgent moment for the company and they

need someone who knows what they're doing to fix the situation."

Illumina said Mr. Icahn's nominees for the board have no ability to accelerate the process of divesting Grail, but Mr. Icahn disputes that. He says his nominees would pressure the board to put a stop to the appeals process and accelerate a separation. Mr. Icahn argued during the interview that the best way to liquidate Grail would be through a rights offering that allows Illumina shareholders to decide whether they want to invest in Grail or not.

"The best part of a rights offering is you find a way to fund Grail without adding debt to Illumina," he said. "It's a way to allow Illumina shareholders to get the benefit of buying Grail at a possible bargain price or sell their rights and get a benefit in this fashion."

—David Wainer

UBS Move Signals Worries on Credit Suisse

Hiring trusted CEO highlights board's nerves

UBS is replacing its chief executive for the same reason investors are wary of its deal with Credit Suisse: Execution risk looms large.

The Swiss bank said Wednesday that former CEO Sergio Ermotti would succeed incumbent Ralph Hamers next week to complete the takeover of **Credit Suisse** and lead the subsequent integration. Mr. Ermotti guided UBS through its crisis years after a rogue-trader scandal in 2011, cutting risk at the investment bank and refocusing the brand squarely on wealth management. Given that the Credit Suisse takeover will involve downsizing a risk-happy investment bank, he is an obvious candidate for the job.

The move was still a surprise: Mr. Hamers succeeded Mr. Ermotti in 2020 and shareholder returns improved markedly under his tenure. He is no stranger to restructuring, having turned around Dutch banking group **ING Groep**. Why change bosses at all?

A news conference on Wednesday teased out answers. It became clear Mr. Hamers was willing to set aside his insistence on organic growth and take on the challenge of integrating Credit Suisse. But Chairman Colm Kelleher wasn't taking any chances with someone who hadn't been hired specifically for such a complex job.

He stressed that UBS's takeover of Credit Suisse was the biggest banking deal since 2008 and the first merger of two banks designated as systemically important. The message was that the integration risks were so great, any management risk needed to be minimized at all costs.

Another reason "at the margin," Mr. Kelleher said, was nationality: Mr. Ermotti is Swiss while Mr. Hamers is Dutch. The Credit Suisse takeover is controversial in Switzerland because of the scale of the institution it will create. Antitrust rules were waived to get the deal done and, if UBS ever gets in trouble,

As banking becomes political again, it might help UBS to have a Swiss national in charge.

there will be no Swiss merger left to resolve it. As banking becomes political again, it might help UBS to have a local in charge.

Investors appear to agree that UBS is taking on a lot of risk. The contrast with the takeover of Silicon Valley Bank by **First Citizens Bancshares** is striking. Financially, the deals have much in common. Both acquirers are getting a lot of book value for virtually nothing: UBS said its tangible book value per share would be 74% higher accounting for the deal, while First Citizens' might be 89% higher, according to an analyst calculation. But whereas First Citizens stock surged 54% on Monday, when the deal was announced, UBS stock has bumped up and down since it agreed to buy Credit Suisse.

Combining two midsize lenders is admittedly more straightforward than the job facing UBS. Also, UBS investors weren't expecting this kind of thing after enjoying fat capital returns under Mr. Hamers, whereas First Citizens' management team is known for its opportunism. Still, the comparison highlights the enormous value embedded in UBS shares if it can integrate Credit Suisse without losing good staff, finding skeletons in the investment bank and jeopardizing its hard-earned culture of prudence. The chances of it pulling off the feat may be slightly higher under Mr. Ermotti, but investors still aren't giving it any credit: The stock rose more or less in line with other European banks on Wednesday.

What might change that? Giving cash back to shareholders would send a strong message that UBS hasn't just bought a capital sink, but a lot of steps will need to come first, not least to avoid getting mired in Swiss politics. UBS is at the start of another long journey under Mr. Ermotti.

—Stephen Wilmot

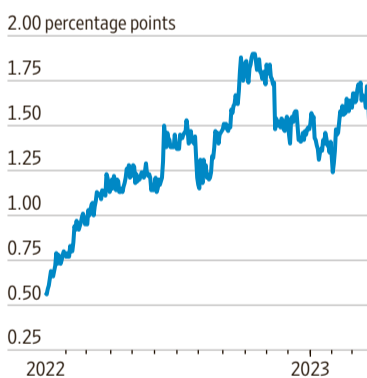
Banking Mess Could Hit Home Buyers

As investors scan for potential spillovers from the present banking crisis, one place to look is in mortgage rates.

There are several inputs into the rates that are offered to home buyers. One important one is how much mortgage-backed bonds are fetching in the market. If mortgage bonds are in demand, that can lead investors to buy more mortgages at lower interest rates. But if mortgage bonds aren't much in demand, that puts upward pressure on mortgage rates.

Right now mortgage bonds seem to be struggling. One way of measuring their relative demand is the gap, or spread, between the yield on a benchmark of 30-year mortgage bonds and the yield on 10-year Treasuries. That spread has widened since earlier this year and hasn't been immediately helped by the Federal Reserve's move to slow its pace of rate increases last week. It remains over two-thirds wider than historical norms, at about 1.6 percentage points at present versus less than 1 point on average over the past two decades, according to figures compiled by

Difference between yields on benchmark mortgage bonds and U.S. Treasuries



Note: Spread is 30-year mortgage-backed securities current coupon versus 10-year U.S. Treasuries. Source: KBW

analysts at KBW.

The broader backdrop to this is that the Fed stopped buying mortgage bonds as it began to unwind quantitative easing. But banks could, in theory, be stepping up to be buyers in the Fed's absence. Yet instead, banks and mortgage bonds are in a complicated relationship right now. Mortgage

bonds are a big driver of the unrealized losses on bond portfolios that banks are struggling with.

One reason for that is that many homeowners are now effectively "locked in" to the mortgages they got at rock-bottom rates back in 2020 or 2021, which will likely subdue home-buying activity, according to economists at Fannie Mae. By the same token, the life span—or duration, in financial lingo—of mortgage bonds gets longer as fewer people prepay by selling their homes or refinancing. This means the bank owning a mortgage-backed bond is also locked in for longer to whatever rate that bond was paying when they bought it—which might now be below the rate that depositors are demanding on their cash.

The good news is that banks aren't likely to sell those bonds, as that would crystallize their market losses, thus hitting their capital levels in many cases. Besides, those bonds may be stuck as collateral posted to the Fed or Federal Home Loan Banks to fund banks' borrowing of backstop cash.

But the bad news is that banks

also aren't very likely to buy more mortgage bonds, even as they yield more and more, because of how much pressure lenders are under to stay as liquid as possible to meet withdrawals and, at some point, repay those backstop loans. The absence of a huge buying force in the market could help keep the mortgage-bond-versus-Treasury gap bigger than it might otherwise be. "It is possible that spreads settle out at wider levels than we had previously expected," analysts at KBW wrote recently.

Perhaps other investors might step up bond buying, such as funds or insurance companies. An inflow of deposits coming out of banks and going elsewhere might help there, and perhaps put something of a lid on spreads. Then again, it would create another issue if banks further scale back their home-lending businesses, because it could give nonbanks a bigger competitive opportunity to bolster their own pricing and push rates.

The bottom line is that home buyers hoping for a big break might not get one anytime soon.

—Telis Demos

Micron Revives Some of Its Worst Memories

Micron Technology Inc.'s latest results give new meaning to the phrase "darkest before the dawn."

The memory-chip maker said late Tuesday that fiscal second-quarter revenue plunged 53% from a year earlier to about \$3.7 billion. That follows a 47% drop the previous quarter, and the company projected a 57% slide for the current period that ends in May.

The memory business has long been one of volatile swings, but Micron hasn't seen a sustained sales downturn of the same degree since the industry was reeling from the dot-com crash in 2001, according to data from S&P Global Market Intelligence. Operating losses were \$2.3 billion—the most Micron has ever lost in a single quarter.

In another painful blast from the past, Micron is now barely covering its basic costs. Reported gross margins went negative in the just-ended quarter for the first time since 2009. That was mostly from a \$1.4 billion write-down of piled-up inventory that the com-



Micron forecast a 57% fall in revenue for the current quarter that ends in May.

pany announced Tuesday. But even without that noncash charge, Micron Chief Financial Officer Mark Murphy said on Tuesday's earnings call that gross margin would have been just 7.3% in the second quarter—a 14-year low. He added that gross margins excluding those charges are expected to be a negative 7.5% in the current quarter

and "trough" in the second half of this year, with improvement expected during Micron's next fiscal year that begins after August.

That reflects both the weak pricing that memory chips now fetch and the reality that—even during sharp downturns—chip makers can't fully shut down all their fabrication facilities. Those

facilities include expensive and sensitive equipment plus highly paid and trained personnel not easily furloughed or replaced. This results in "underutilization," which Mr. Murphy says is now at levels "that none of us have seen before" and is expected to cost Micron \$1.1 billion in the current fiscal year.

When exactly things will start looking back up is anyone's guess. Chief Executive Sanjay Mehrotra said Tuesday that he thinks revenue from cloud-service operators bottomed in the just-ended quarter, and growing demand for artificial-intelligence processors in those customers' data centers will also drive demand for Micron's memory, as AI chips need about eight times the DRAM content compared with regular server processors.

As one of three remaining producers of the crucial computing component, Micron faces little risk of long-term viability. But crawling out of this memory hole is still painful.

—Dan Gallagher