THE WALL STREET JOURNAL.

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What's News

Business & Finance

Russia and Saudi Arabia said oil-production cuts should be extended into March 2018, sending crude prices climbing. **A1**

◆ **A judge ordered Uber** to return 14,000 driverless-car files allegedly stolen from Alphabet and restricted a key executive's work. **B1**

◆ **Italy's Atlantia** launched a bid for Albertis that values the Spanish firm at $17.8 billion and could create the biggest toll-road operator. **B1**

◆ **Boeing said** it would assemble U.S. Air Force jets at its St. Louis plant if it wins a contest for the program. **B2**

◆ **The U.S. Supreme Court** cleared debt collectors to demand repayment of expired debts from consumers in bankruptcy proceedings. **B5**

◆ **J.P. Morgan is buying** an office tower in Dublin, giving the bank space to expand outside of London when Britain leaves the EU. **B5**

◆ **Trade groups** representing U.S., European and Asian firms called on China to delay a cybersecurity law set to go into force June 1. **B4**

◆ **Nintendo plans** to bring its "Legend of Zelda" videogame to smartphones. **B4**

◆ **AIG named** a onetime lieutenant to ex-CEO Greenberg as the firm's new chief. **B7**

◆ **The SEC picked** a Silicon Valley lawyer to head its Corporate Finance unit. **B7**

◆ **U.S. home sales climbed** 1.4% last quarter to hit their fastest pace in a decade. **A8**

World-Wide

◆ **Merkel said** she is open to changing EU treaties to strengthen the bloc, as the German leader met with new French President Macron. **A1**

◆ **Macron named** a moderate member of the conservative Les Républicains party to be his prime minister. **A4**

◆ **Cybersecurity officials** said a global attack on computers with so-called ransomware that began Friday was largely contained. **A1, A2**

◆ **Syria was accused** of operating a crematorium to cover up what the U.S. said were mass executions at a prison outside Damascus. **A3**

◆ **The U.S. and Saudi Arabia** are working on arms deals and financial investments aimed at elevating economic and security cooperation. **A3**

◆ **The White House** is racing to pick an FBI director, but Democrats are threatening to block a vote unless a special prosecutor is named. **A8**

◆ **The Supreme Court** declined to consider an appeal to revive North Carolina's voting rules, in a win for voting-rights advocates. **A8**

◆ **Germany threatened** to pull forces from a Turkish air base after Turkey banned lawmakers from visiting German troops. **A4**

◆ **China failed** to win European endorsement for a trade statement about its Silk Road infrastructure plan at a forum in Beijing **A4**

◆ **A cholera outbreak** in Yemen's capital San'a has left at least 129 people dead in the past three weeks. **A3**

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MICHAEL SOHN/ASSOCIATED PRESS

German Chancellor Angela Merkel welcomes new French President Emmanuel Macron in Berlin on his first trip after the inauguration.

Merkel Open to EU Shift

After meeting Macron, chancellor says she would consider major changes to the bloc

By Anton Troianovski

BERLIN—German Chancellor Angela Merkel said Monday that she was open to changing the European Union's treaties to strengthen the bloc, voicing a desire to work closely with France as she met with French President Emmanuel Macron here on his first full day in office.

Ms. Merkel said she and Mr. Macron had agreed to "develop anew" their bilateral relationship and that their cabinet ministers would meet shortly after the French parliamentary election in June. In a sign that she was prepared to discuss far-reaching changes to the EU and the eurozone with Mr. Macron, she said she would be prepared to support changing EU treaties "if it makes sense."

"First we will work on what we want to do, and if it then demands a treaty change I, at least, will be ready to do it," Ms. Merkel said in a joint news conference with Mr. Macron at the Chancellery in Berlin.

Ms. Merkel said the election of Mr. Macron, who ran as a centrist, pro-EU platform pledging reforms, offered an opportunity to improve the bloc.

"I believe we are at a very sensitive moment in history," Ms. Merkel said, "that we should now also use to make something of it that will be understood by the people as a strengthening of Europe and a fortification of Europe."

Computer Attack Takes Big Toll

As day four of a globe-spanning cyberattack brought with it a marked slowdown in the spread of infected computers, governments and companies started to count the costs.

By Nick Kostov *in Paris,* Jeannette Neumann *in Madrid and* Stu Woo *in London*

Hundreds of thousands of users were infected by a strain of so-called ransomware, called WannaCry, that scrambled files of victims and demanded ransom via bitcoin to decrypt them again. The malware spread around the globe Friday, before slowing over the weekend.

By late Monday, cybersecurity officials said it had largely been contained, though governments and companies are likely to continue disclosing instances of infection for days or weeks as they get a better handle on the scope of the attack. Follow-on attacks are also possible.

Britain's National Crime Agency, a government agency that fights organized crime, said Monday that it hadn't seen a second spike in ransomware attacks, but that didn't mean there wouldn't be one.

"We think the initial fire is put out," said Rob Holmes, vice president of products at Proofpoint.

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TRUMP'S BATTLE TO ATTAIN 3% GROWTH

U.S. work force isn't increasing or gaining productivity fast enough for the economic expansion the president is counting on

By Nick Timiraos And Andrew Tangel

Ariens Co., a maker of lawn mowers and snowblowers, faces a bottleneck in its plans to raise production 40%. It can't find enough workers.

The Brillion, Wis., company bused some Somali refugees from nearby Green Bay to help, but they weren't enough, and it is spending up to $15,000 a month on recruiting.

"We see the demand right in front us," said Chief Executive Dan Ariens. "It's very frustrating."

His lament points to an issue at the heart of President Donald Trump's economic agenda. The president has laid out a goal of getting the U.S. economy, which has expanded at less than a 2% average rate for the past decade, to grow at above a 3% rate over the long term.

Two stubborn obstacles stand in his way. The work force isn't producing enough new workers, and the productivity of those working isn't growing fast enough.

In the long term, an economy can't expand faster than the combined growth rates of its working population and their output per hour. That combined number, in many economists' projections for the next decade, is about 1.8%. This is also the long-run growth rate projected for the economy by Federal Reserve officials.

Mr. Trump's advisers say their policies can deliver 3% to 4% growth year after year, the kind of prosperity the U.S. saw during the 1980s and 1990s—in effect expanding what is considered the economy's long-term potential.

A note on a framed newspaper article in Treasury Secretary Steven Mnuchin's office is even more ambitious. The article announced his Cabinet selection, and Mr. Trump signed it in felt-tip pen with the added note "5% GDP."

Faster growth could push up household incomes, which are stuck below their 1999 peak when

Please see GROWTH page A6

HANI MOHAMMED/ASSOCIATED PRESS

Cholera Outbreak in Yemen

DEADLY DISEASE: A rapidly spreading cholera outbreak in Yemen's capital has killed at least 129 people in the past three weeks. Two years of war between Houthi rebels and a Saudi-led regional coalition have ravaged Yemen's infrastructure, leaving it open to diseases such as cholera. **A3**

Russia, Saudis Back Continued Oil Cuts

The world's two biggest crude-oil producers, Russia and Saudi Arabia, sent petroleum prices higher Monday with a joint statement that cuts in output should be extended into March 2018.

By Summer Said, Neanda Salvaterra and James Marson

The rare joint statement is the strongest signal yet that the Organization of the Petroleum Exporting Countries and a coalition of producers outside the cartel will continue their efforts to influence oil prices by cutting supply. OPEC's 13 members and 11 non-OPEC producers agreed last year to cut almost 1.8 million barrels a day through June in hopes of bringing supply and demand back into balance.

There have been doubts that the OPEC coalition's production cuts were having their desired effect of eliminating a glut of crude that has weighed on the market. Resurgent production from U.S. shale producers has helped blunt OPEC's efforts, and prices—after a quick boost—have swung

Please see OIL page A2

Coffee, Clothing, Wrestling Celebrate Chinese Trade Plan

* * *

All sorts of firms are adopting Beijing's 'One Belt, One Road' slogan

By Te-Ping Chen

BEIJING—Perfect, a Chinese company, sells toothbrush sets adorned with ladybugs and pastel bunny rabbits. Add to that a recent motif: a trillion-dollar Chinese infrastructure initiative.

"One Belt, One Road," says Hu Shuchen, marketing manager, enthusiastically. "It's an important way for our nation to become great."

The clunky slogan refers to China's signature foreign-policy bid to extend trade links across vast parts of the world, part of a revival of the old Silk Road. While most people outside China would have only the haziest sense of the phrase, for Chinese entrepreneurs it is a patriotic marketing caravan crying out to be joined.

All sorts of businesses are celebrating government investment in roadways, maritime routes and other infrastructure. There are belt-and-road-themed handbag and car-rental companies, a "Road and Belt" coffee brand, a musical singing turtle branded with a "One Belt, One Road" logo, as well as belt-and-road tea canisters, scarves and chinaware.

Road and Belt coffee

Packaging for Mr. Hu's toothbrush set, eight for 10 yuan ($1.45), is decorated with the silhouette of trotting camels and a brief explanation of the trade

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◆ Europe balks at Beijing's trade plan.................................... A4

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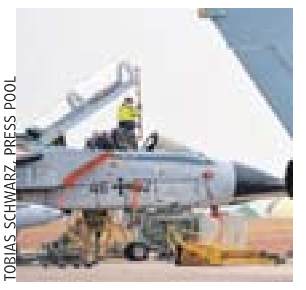
AGENCE FRANCE-PRESSE/GETTY IMAGES

UBER SUFFERS ANOTHER LEGAL BLOW

BUSINESS & FINANCE, B1



TOBIAS SCHWARZ/ PRESS POOL

BERLIN'S RIFT WITH TURKEY WIDENS

WORLD NEWS, A4

Stakes Rise as Trump Embraces Controversy

CAPITAL JOURNAL
By Gerald F. Seib

Most people prefer to avoid controversy. Donald Trump seeks it out.

Indeed, it sometimes seems that if a controversy isn't roiling, he works to create one and then stoke it. Sometimes this is to change the subject to one he prefers, sometimes to distract attention from the latest controversy he wants to move beyond.

It's an approach mostly foreign to the worlds of politics and governance, which is exactly what his supporters like about it. Somehow it worked for Mr. Trump as a presidential candidate. We are watching a live experiment in whether it can work as president. Chances are it will always be thus.

Never was this more clear than in Mr. Trump's bombshell decision to fire James Comey as head of the Federal Bureau of Investigation. Mr. Trump had to know that, despite the initial White House explanation that the firing grew from Mr. Comey's handling of the inquiry into Hillary Clinton's emails, it inevitably would be seen as an effort to get rid of the man handling the most sensitive investigation of Mr. Trump himself, over whether Russia interfered in last year's election to his benefit.

He did it anyway. Then he doubled down by saying that, contrary to his White House's initial explanation, he was going to fire Mr. Comey regardless of what his Justice Department recommended. Then he tripled down by saying that Mr. Comey had better be careful about what he says about his conversations with the president because those conversations might have been taped.

Mr. Trump will get what he wanted. He now will pick his own FBI director. The system isn't supposed to work this way; FBI directors are given 10-year terms, so presidents generally have to live with the one they inherit. Not now—and maybe never again; has Mr. Trump shattered the idea that FBI directors are independent operators?

That's now one question. A second one: At what cost will Mr. Trump get what he wanted? Last week could have been spent talking about the Republicans' high-stakes bid to get a health-care replacement for Obamacare through the Senate, an effort in which the Trump White House is increasingly invested. Instead, it was spent talking about L'Affaire Comey.

This week should be spent talking about Mr. Trump's first foreign trip, which will be a big one. He goes to Saudi Arabia, Israel and the Vatican before meeting the heads of other industrialized nations at a G-7 summit. Mr. Trump has a chance to forge a new relationship with both the Saudis and the Israelis, and to build that into a broader regional security alliance to counter the threats from both Iran and Islamic State.

The Comey episode could distract attention from the broader agenda.

The Journal's Carol Lee has reported that, as a down-payment on that effort, the Trump administration is preparing a new arms deal and a package of economic-cooperation initiatives with the Saudis. This is big stuff; will it be overshadowed by the lingering effects of the Comey business?

Thus, the controversies carry the risk of distracting attention from the broader Trump agenda. That certainly will continue to be the case, at least sporadically, as Mr. Trump goes through the process of picking and then trying to get confirmed a new FBI director.

Such controversies also drive down even further the chances that Mr. Trump will get significant Democratic cooperation on his initiatives. In fact, Senate Democrats are promising to block other agenda items until they get assurances on the course of the Russia investigation. Mr. Trump's low job-approval ratings leave Democrats believing they aren't obliged to cooperate.

On the other hand, there is compelling evidence that the Comey business hasn't resonated outside of Washington the way it has inside. A weekend Wall Street Journal/NBC News poll found that, while 38% of those surveyed disapproved of the Comey firing, and 29% approved, about one-third said they didn't have an opinion.

Views were shaped by party affiliation; Democrats tended to disapprove, while Mr. Trump has won the support of Republicans. Only 3% of Trump voters disapproved. Meanwhile, Mr. Trump's job-approval rating is 39%. That's low but essentially unchanged by the Comey episode.

A troubling undercurrent for Mr. Trump: The survey found a strong desire, cutting across political affiliations, for an independent commission or a special prosecutor to get to the bottom of Russia's role in the 2016 election.

That suggests the Comey matter may yet come back to haunt Mr. Trump. Still, there is little reason to think there will be a change in the broader Trump operating style, which seems predicated on the idea that controversy is a sign he is shaking things up, just as promised.

HACK

Continued from Page One

point Inc., a Silicon Valley cybersecurity firm that tracks computer worms via sensors in major corporations and telecom companies. "The second thing is to make sure there's no reignition of the fire."

The direct costs of computer downtime from the cyberattacks totals about $8 billion globally, estimates George Ng, chief technology officer of Silicon Valley cyberrisk modeling-firm Cyence. He said his company reached this estimate after considering average computer-system-backup rates and the attacked companies' lines of business.

Once ransomware cripples a computer system, it takes an average of one to 12 hours for a company to resume normal operations, Mr. Ng said. That is in part because a company normally upgrades its network's security—even if it capitulates to the hacker—after the attack. "You're just not going to pay the ransom and assume everything is fine," he said.

A small number of affected users appeared to have complied with the ransom request, depositing payments—some as little as $300—into bitcoin "wallets," essentially anonymous online accounts, designated by the hackers. But that total, just over $50,000 by late Monday, according to bitcoin trackers, represents a tiny sliver of the real cost of the attack.

The ransomware threatened to destroy files if payments aren't made. As long as those files are backed up, even that extreme outcome may not have huge financial costs. But companies rushed out information-technology teams all weekend to protect unaffected systems, restart attacked ones and assess damage. In some cases, the computer paralysis had the potential to cause significant economic damage.

It is too early to estimate the impact of the ransomware attacks because companies are still dealing with the fallout from being locked out of their networks, said Stephanie Snyder, senior vice president at Aon Risk Solutions in Chicago. "I don't think we've necessarily seen the period at the end of the sentence of this particular ransomware strain," she said.

The cyberattacks hit Europe and Asia particularly hard. Nearly 90% of the world's cyber insurance, however, has been sold to companies in the U.S., Ms. Snyder said. Even if some of the affected companies don't have cyber insurance, they might be able to book the losses under their existing insurance policies related to ransom or extortion.

French car maker Renault SA shut down production at several auto plants across Europe over the weekend after being hit by the attack. It had restored all its plants except for one in France by late Monday, and expected that one back online Tuesday. A spokesman said the company would make up lost production and didn't yet have a handle on overall financial costs.

"It's going to take some time," the spokesman said. "They're starting the calculations today. The priority was to get everything back up and running and now that's done we are moving onto the analysis phase."

Britain's state-funded health-care system, the National Health Service, was one of the first, and hardest-hit, institutions. The malware crippled computer systems at dozens of facilities, forcing hospitals to turn away patients or reschedule procedures. By Monday, a small number hospitals, including several in London, were still not ready to resume normal operations. Ben Wallace, the United Kingdom's security minister, said technology experts were working around the clock to restore NHS computer systems.

"They have been working, I know, through the night almost to make sure that patches are in place to make sure so that hopefully this morning the NHS services can get back to normal," Mr. Wallace told the British Broadcasting Corp. Monday. He said the U.K. government needed to assess why NHS hospitals and clinics hadn't uniformly installed the patches that would have protected computers from the attack.

—Jenny Gross, Paul Vigna, Natalia Drozdziak, Liza Lin and Eun-Young Jeong contributed to this article.

Microsoft: Stolen Code Fueled Risks

Microsoft Corp. said that the software used in the global cyber assault that began Friday came from code stolen from the **U.S. National Security Agency**, adding that the attack should serve as a wake-up call for governments over the risks of hoarding such digital weapons for use against their enemies.

The software giant's statement is the most authoritative confirmation so far of the connection between the attack and the code that appeared to be for cyberattacks and was disclosed in April by an anonymous group called Shadow Brokers, which said it had obtained it from the NSA. The U.S. spying agency has declined to comment on the matter.

"Repeatedly, exploits in the hands of governments have leaked into the public domain and caused widespread damage," wrote Brad Smith, Microsoft president and chief legal officer, in a blog post Sunday. "An equivalent scenario with conventional weapons would be the U.S. military having some of its Tomahawk missiles stolen."

—Jay Greene

Hackers' Take: $51,000 in Untouched Bitcoin

By Paul Vigna
And Peter Rudegeair

This weekend's wave of cyberattacks held up for ransom the computer files of more than 200,000 victims world-wide. The hackers' apparent take: $51,000—in bitcoin accounts that they may hesitate to tap.

Networks at companies, hospitals and government agencies were among those hit by a cyberattack that scrambled the files of infected computers, then promised to restore the files after ransom payments of as little as $300 each in bitcoin.

Attackers have been using three specific bitcoin wallets, or addresses, according to several people tracking the attack, with about 202 transactions totaling $51,417 as of Monday morning, according to bitcoin analytics firm Chainalysis Inc.

None of the funds have been moved out of the wallets. While identifying bitcoin wallet owners is difficult, tracking money moving out of such wallets is potentially easier.

Chainalysis said the attackers probably weren't ready for the global impact of their attack. "It is quite possible they are unsure how to launder the bitcoin funds safely," the firm wrote in a Sunday report.

The incident is focusing attention once again on bitcoin's role in hacking and illegal money movements. For many investors and regulators, it emphasized that the currency has a role in nefarious activities.

On the other hand, this attack hasn't yet resulted in the same backlash as other jolts to the often volatile market. Bitcoin's price of around $1,770 remains near a record high.

OIL

Continued from Page One

between $48 and $52 a barrel in the past month.

"There has been a marked reduction to the inventories, but we're not where we want to be," Saudi Arabia's energy minister, Khalid al-Falih, said in China after a meeting of the G-20 countries, adding that a "general consensus" was emerging that extending the cuts "is the right approach and the right thing to do."

The Russia-Saudi agreement comes 10 days before OPEC is scheduled to hold a formal meeting in Vienna on May 25 to decide on production cuts. Saudi Arabia is OPEC's most influential member, while Russia is the largest producer among the coalition outside the cartel that joined the production-cutting effort.

U.S. crude futures rose 2.1% to $48.85 a barrel on the New York Mercantile Exchange. Brent, the global benchmark, rose 1.9%, to $51.82 a barrel on ICE Futures Europe.

The move higher caps the largest four-day-gain for both benchmarks since December, as crude prices have rebounded after a sharp selloff earlier this month.

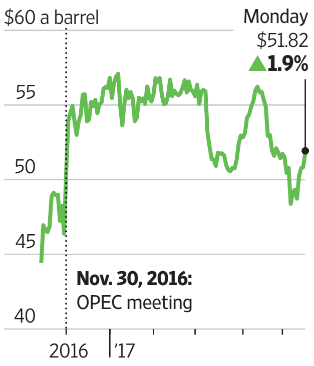
OPEC and its partners are now widely expected to agree to extend the production cut, which was meant to draw down record levels of oil placed in storage when crude was cheap.

"It seems more or less a slam dunk that there is going to be a continuation of the cuts," said Bjarne Schieldrop, chief commodities analyst at SEB Markets. "The signals are pretty strong and clear from both OPEC and Russia. They are really removing a substantive amount of the uncertainty about the upcoming decision in May."

Stalled

Gains that followed the latest OPEC meeting have faded.

Brent crude-oil price*



Source: WSJ Market Data Group
THE WALL STREET JOURNAL.

Last week, OPEC said crude stockpiles in the most industrialized nations increased from the fourth quarter of 2016 by 31 million barrels to just over 3 billion—276 million barrels above the five-year average.

"The agreement needs to be extended, as we will not reach the desired inventory level by end of June," Mr. Falih said. "Therefore we came to the conclusion that ending will probably be better by the end of first quarter 2018."

Major producers are willing to extend the cut and are working to bring in new non-OPEC participants including Turkmenistan and Egypt, according to people familiar with the matter.

This follows lobbying by Saudi Arabia, which, as OPEC's biggest producer, has borne the brunt of output cuts and has indicated it wants other producers to do more.

Stronger oil prices have helped Russia's economy out of a two-year recession, but its recovery is expected to be weak. Russia's federal budget depends on oil and gas for more than one-third of its revenue.

Russian President Vladimir Putin said Monday that he had held a closed meeting with the chiefs of Russian oil companies, who expressed support for extending the production cut for nine months, Interfax news agency reported.

"Preliminary consultations show that everybody is committed…I don't see reasons for any country to quit," Russia's energy minister Alexander Novak said.

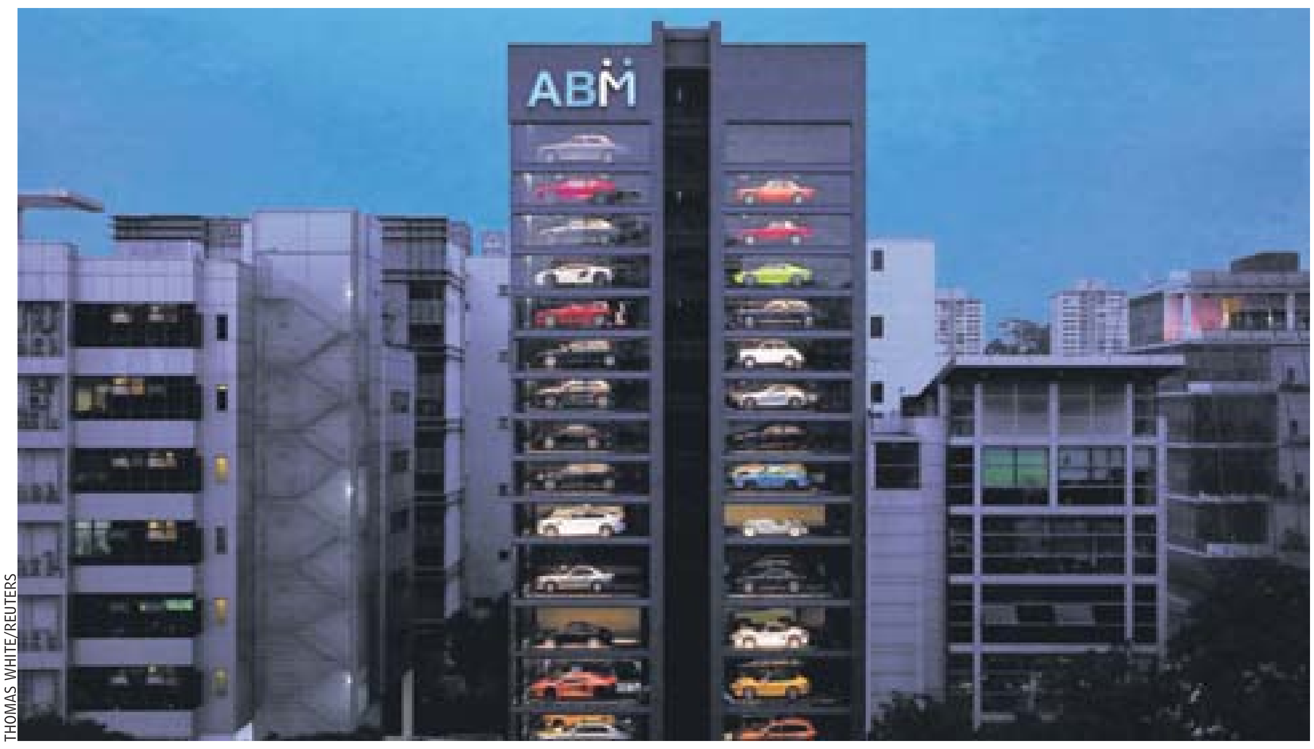
An OPEC representative said officials from Saudi Arabia, other Persian Gulf countries and Russia discussed an extension to the cuts over the phone on May 5. The Saudi and Russian oil ministers also discussed the matter on April 27, another OPEC official said.

Saudi Arabia had consulted broadly outside its core Persian Gulf group of allies, another OPEC official said. He said a consensus was emerging to extend the deal to March, but that it was too early to predict the outcome.

Last year's oil-production deal exempted Iran, Libya and Nigeria from obligations to cut. OPEC officials said those exemptions likely would be kept if the cuts are extended.

—Benoit Faucon in London, Jenny W. Hsu in Hong Kong and Alison Sider in New York contributed to this article.

A Vending Machine for the Fabulously Wealthy



THOMAS WHITE/REUTERS

DREAM MACHINE: An exotic used-car dealership in Singapore is designed to look like a vending machine. Customers on the ground floor use a touchscreen to pick which car they want to see; a lift system then delivers it in one to two minutes. The 15-story showroom, which opened in December, dispenses luxury cars including Bentleys, Ferraris and Lamborghinis.

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WORLD NEWS

AMNESTY INTERNATIONAL/AGENCE FRANCE-PRESSE/GETTY IMAGES

Saydnaya prison outside Damascus is shown in photos released earlier this year by Amnesty International.

Syria Accused of Mass Kills

U.S. says Assad regime operated crematorium to cover up executions at prison near capital

By Felicia Schwartz

WASHINGTON—The Trump administration accused the Syrian government of operating a crematorium to cover up what U.S. officials called "mass murders" at the notorious Saydnaya prison outside Damascus.

The State Department's top Middle East diplomat, Stuart Jones, on Monday said the U.S. estimates the Syrian government is hanging as many as 50 detainees per day at the prison and burning some of the remains afterwards.

The U.S. released several declassified satellite photos it says reveal the existence of the crematorium near the main prison.

Mr. Jones faulted Syria's allies, Russia and Iran, for backing the regime despite its abuses, including running the crematorium.

"These atrocities have been carried out seemingly with unconditional support from Russia and Iran," Mr. Jones said.

The announcement on Monday follows talks last week among President Donald Trump, Secretary of State Rex Tillerson and Russian Foreign Minister Sergei Lavrov.

The Trump administration is urging Russia to use its influence with the regime of Syrian President Bashar al-Assad to end attacks on civilians and hold the Syrian government accountable for mass atrocities.

Mr. Jones said he didn't present the photos released on Monday to Russian officials last week but that Moscow and Washington have had continuing conversations.

A report released this year by Amnesty International found that as many as 13,000 people were hanged in Saydnaya prison between 2011 and 2015, in what it described as a secret campaign to target government opponents.

According to the United Nations, more than 400,000 people have been killed in the more than six-year conflict.

WORLD WATCH

YEMEN

Cholera Outbreak Plagues Capital

Rebel authorities have declared a state of emergency in San'a over a rapidly spreading outbreak of cholera that has left at least 129 people dead in the past three weeks.

More than two years of war between Houthi rebels and a Saudi-led regional coalition has ravaged Yemen's infrastructure, leaving it vulnerable to diseases such as cholera, which is caused by unclean food and water.

In issuing a plea for international aid on Sunday, the Houthis' health minister said the cholera outbreak had exceeded the capacity of any country's health system to handle, let alone one operating in the midst of war, now in its third year.

—Mohammed al-Kibsi

IRAN

Tehran Mayor Quits Presidential Race

Tehran's mayor dropped out of the presidential race, throwing his support behind hard-line cleric Ebrahim Raisi in a boost to a candidate expected to adopt a tougher stance on U.S. relations.

The exit of Mayor Mohammad Ghalibaf, 55 years old, who has twice before run for president, leaves Iranians to choose between two front-runners in the May 19 election, Mr. Raisi and more moderate incumbent Hassan Rouhani.

Mr. Ghalibaf called for unity among fellow hard-liners to combat what he and his allies have called "the 4%," referring to Mr. Rouhani and the wealthy elite they say dominate Iran's current administration.

—Asa Fitch

IVORY COAST

Soldiers' Mutiny Over Pay Escalates

Gunfire flared and rebel soldiers erected makeshift checkpoints in several of Ivory Coast's largest cities as a four-day-old mutiny over pay spread across Africa's fastest-growing economy.

Residents in several cities, including the commercial capital Abidjan, reported hearing gunfire through the night and after daybreak, local media reported. Some rebel soldiers blocked the main highway.

The revolt, which includes some 8,000 members of the 22,000-strong army, began in the city of Bouake last week after the government delayed bonus payments it had pledged during a mutiny in January.

—Joe Parkinson

CONGO

New Ebola Cases Spur Rush to Stem Virus

Health workers in the Democratic Republic of Congo were rushing to contain an outbreak of Ebola virus, scrambling military helicopters to deliver medical aid and ordering house-to-house searches for potential patients in a remote northeastern region.

The hemorrhagic fever has killed three people and infected more than a dozen others, health officials said. This latest outbreak will test Congo's ailing health-care system as well as international response mechanisms set up after an Ebola epidemic swept West Africa in 2014.

Health experts said the resurfacing of the virus was serious, partly because it took officials almost three weeks to identify the disease.

—Nicholas Bariyo

U.S. Nears Arms, Investment Deal Sought by Saudis

By Carol E. Lee And Margherita Stancati

WASHINGTON—The U.S. and Saudi Arabia are working on a package of arms deals and financial investments aimed at elevating economic and security cooperation between Washington and Riyadh after several years of strained relations over the U.S. diplomatic outreach to Iran.

The potential agreements, coupled with President Donald Trump's scheduled arrival in Saudi Arabia this week on his first stop outside the U.S. since taking office, include a missile-defense system and heavy arms the Obama administration either refused to sell Saudi Arabia or pulled back from amid concerns about Riyadh's role in the conflict in Yemen, according to U.S. and Saudi officials.

While Mr. Trump has come under criticism for seeking warm rapports with some world leaders and for bringing family members into the White House as advisers, these approaches have been welcomed by Saudi Arabia's royal family.

The proposed arms deal is taking shape as the White House tries to encourage a longtime Middle Eastern ally to take the lead on regional security but without alienating Israel, another critical friend in the region.

Part of Mr. Trump's goal is to get the Gulf states, principally Saudi Arabia, to help him achieve a peace agreement between the Israelis and Palestinians. Mr. Trump is scheduled to visit Israel after his stop in Riyadh.

A senior U.S. official said "every system that we're talking about" with the Saudis maintains Israel's military advantage over its neighbors, known formally as its Qualitative Military Edge.

Israel isn't objecting to the U.S. selling an advanced anti-missile system, known as Thaad, to Saudi Arabia, U.S. officials said.

The president is also seeking new cooperation with Saudi Arabia on the fight against Islamic State and countering Iran's influence in the region, White House officials have said.

"You're going to see on this trip some steps toward beefing up, and maybe even down the road formalizing, a security arrangement with Gulf states, Arab States and the United States," one official said.

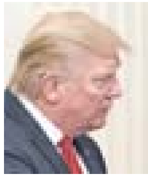
Discussions over arms sales have been assigned higher priority over economic initiatives as the two governments aim to complete agreements ahead of Mr. Trump's visit to Riyadh on Friday. "That's the easy part," a senior U.S. official said of economic talks. "The security stuff is harder."

Driving the outreach between the two countries are the Saudi king's 31-year-old son, Deputy Crown Prince Mohammad bin Salman, and the president's son-in-law and senior adviser, Jared Kushner, 36, according to officials in Washington and Riyadh.

Mr. Kushner coordinates on the policy with the National Security Council, the State Department and the Pentagon, administration officials said.

"The Saudis know that the person who is trying to get Trump on our side is Kushner," said Ahmed al-Ibrahim, a Saudi businessman and political commentator. "He is the guy who has the Middle East portfolio."

Mr. Trump's premium on developing personal relationships with his counterparts is an approach the Saudis felt was missing with former President Barack Obama's administration. In turn, King Salman last month named another son, Prince Khaled bin Salman, as the new Saudi ambassador to Washington.



Donald Trump is scheduled to arrive in Saudi Arabia this week on his first trip as president.

The monarchy saw the election of Mr. Trump as an opportunity to reset ties with its most important strategic ally after relations soured during Mr. Obama's two terms in the White House largely because of differences over policy in the Middle East.

The monarchy felt betrayed by the Obama administration's conciliatory approach toward Riyadh's No. 1 foe, Iran, which culminated in the 2015 deal with Tehran to restrain its nuclear program in exchange for lifting economic sanctions.

"The narrative of the Obama administration was that Saudi Arabia and Iran must share the region," said Mohammed Alyahya, a Saudi political analyst and nonresident fellow at the Atlantic Council. "The Trump administration is very clear that it will put allies first."

—Jay Solomon contributed to this article

Vote Gives Merkel Shot in the Arm

State win by Christian Democrats points to chancellor's improving odds for re-election

By Anton Troianovski

SEAN GALLUP/GETTY IMAGES

German Chancellor Angela Merkel and Armin Laschet, who led the Christian Democrats to victory in North Rhine-Westphalia.

BERLIN—German Chancellor Angela Merkel, buffeted by years of crises that opponents said would usher in her political demise, is savoring signs of renewed strength as a national election campaign approaches.

The country's refugee crisis has receded into the background. Her regular meetings with foreign leaders portray her confidence on the world stage. Four out of five Germans say the economy is doing well.

And on Monday, Ms. Merkel was relishing one of her party's most dramatic electoral victories in her nearly 12 years in office: winning the state election in her opponents' heartland.

The Christian Democrats' victory, by 33% to 31.2%, over the center-left Social Democrats in North Rhine-Westphalia—home to nearly one-quarter of the German population—showed the Sept. 24 national election to be Ms. Merkel's to lose. Sunday's striking result came in the home state of Ms. Merkel's challenger for the chancellorship, Social Democrat Martin Schulz. His party, known as the SPD, has governed the state for all but five of the last 50 years.

"It is now very hard to argue that the SPD really will be so strong as to be able to push Ms. Merkel from the chancellorship," said Thomas Poguntke, a political scientist at the Heinrich Heine University in Düsseldorf, on Monday. "It's not yet completely decided, but it is now significantly less likely than it was before yesterday's election."

The perception of many Germans that Ms. Merkel flung the country's doors open to hundreds of thousands of asylum applicants in 2015 remains the chancellor's Achilles' heel, Mr. Poguntke and other analysts said.

But the SPD, the junior partner in Ms. Merkel's governing coalition since 2013, supported Ms. Merkel's policies, making it difficult for them to attack her for them. The anti-immigrant Alternative for Germany has been consumed by leadership infighting and on Sunday recorded one of its worst state-election results of the past year. And with the number of migrant arrivals declining—to roughly 15,000 asylum applications last month compared with about 60,000 in April 2016—the issue has lost its once-assured spot in the headlines.

Ms. Merkel's position "is more comfortable than it's been at any other point in the two years since the influx of many refugees to Germany," Berlin-based pollster Manfred Güllner wrote on Monday. "While many observers of the political scene back then announced the end of Merkel, today the course is set for another Merkel chancellorship."

Rather than dwell on migration, Ms. Merkel is highlighting Germany's economic strength and her experience in international affairs as the election campaign approaches. In the past month, Ms. Merkel shared the stage with Ivanka Trump in Berlin during her first foreign trip as a White House official; flew to Saudi Arabia for talks with King Salman bin Abdulaziz al-Saud and to Russia to meet President Vladimir Putin; and on Monday welcomed newly elected French President Emmanuel Macron to the German capital with military honors.

In an Infratest Dimap exit poll on Sunday, 70% of all voters in North Rhine-Westphalia said they agreed with the statement: "Angela Merkel makes sure we are doing well in a troubled world."

A nationwide poll by the company last week found 81% of Germans viewed their country's economic situation positively, and only 18% negatively. When Ms. Merkel was first elected in 2005, those poles were essentially reversed: 85% viewed it negatively and 15% viewed it positively.

That leaves few openings for Mr. Schulz, whose party has dropped back to a roughly 10-point polling gap behind Ms. Merkel's Christian Democrats after surging to a near-tie in the wake of his designation as chancellor candidate in January.

Macron Appoints Prime Minister

By Matthew Dalton

PARIS—French President Emmanuel Macron on Monday named Le Havre Mayor Édouard Philippe as his prime minister, handing a top position in his government to a moderate from France's conservative Les Républicains party.

The move shows how Mr. Macron is courting members of Les Républicains to join his new party, La République En Marche, ahead of next month's legislative elections. Some politicians from the Socialist Party have agreed to run under the banner of the new party, but members of Les Républicains have all refused.

Support from a few key conservatives would buttress Mr. Macron's contention that his party is breaking down old differences between left and right. Mr. Macron's political opponents spent much of the campaign arguing that he was merely the heir of François Hollande, Mr. Macron's unpopular Socialist predecessor and mentor in government.

Mr. Philippe's nomination is a challenge for the leadership of Les Républicains, who are working to maintain party unity in the face of Mr. Macron's landslide victory in this month's presidential election.

"This is an individual decision," said Bernard Accoyer, secretary-general of Les Républicains. "It is not a political agreement."

But Bruno Le Maire, a leading lawmaker in Les Républicains, quickly backed Mr. Philippe's decision to take the job. "Congratulations," Mr. Le Maire wrote on Twitter, "get past the old divisions to serve France."

In naming Mr. Philippe, Mr. Macron has chosen someone whose biography in some ways mirrors his own. Like Mr. Macron, Mr. Philippe, 46 years old, grew up in a middle-class family in northern France but left as a teenager to attend elite schools in Paris. Both men are graduates of the École Nationale d'Administration, one of the top schools that train France's leaders.

He now assumes a key role in Mr. Macron's plans to overhaul the country's tightly regulated economy and fortify the European Union.

Mr. Philippe is a close ally of Alain Juppé, the mayor of Bordeaux who ran for president as a moderate in last year's center-right primary. François Fillon, a more traditional conservative, defeated Mr. Juppé by a wide margin.

Mr. Macron is hoping for support from these moderate conservatives to run the country. But the new president has shown no inclination to compromise his campaign platform to win their backing, said Bruno Cautrès, a political scientist at the Centre for Political Research at Sciences Po, a political-science university in Paris. "Macron's idea is, you join me and you accept my program," he said.

Mr. Macron's party has named only 428 candidates to run in the June 11 legislative elections for 577 seats in the National Assembly. Aside from the difficulties of vetting a whole slate of candidates, the party is waiting to see whether some high-profile politicians from the center-right such as Mr. Le Maire decide to join La République En Marche.

Polls show Les Républicains as the party that could prevent La République En Marche from winning a majority.

JULIEN DE ROSA/EUROPEAN PRESSPHOTO AGENCY

Newly appointed French Premier Édouard Philippe

Europeans Balk at China's Trade Plan

By Mark Magnier
And Chun Han Wong

BEIJING—China's bid to mobilize dozens of countries and billions of dollars for its ambitious Silk Road infrastructure plan bumped into European dissent at a high-profile Beijing forum, underscoring difficulties in marshaling consensus over President Xi Jinping's globalization blueprint.

China received support for most of its proposals over the two-day meeting, but failed to secure European endorsement of a planned statement on trade, diplomats said.

The discord marred a convivial conclave designed to promote Mr. Xi's signature economic-diplomacy initiative—known as "One Belt, One Road"—a rebooting of ancient Silk Road routes with ports, railways and pipelines backed by Chinese money and industry.

European officials at the forum said the proposed trade statement omitted clauses on transparency and standards in tendering contracts, even though China had endorsed similar clean-governance language at past Group of 20 and Asia-Europe summits.

"We felt this language was going backwards" from what China had agreed to, said one European official, who suggested Beijing had drafted the statement to benefit Chinese companies in future Silk Road contracts. "It's about selling their stuff," the official said.

China's foreign and commerce ministries didn't respond to requests for comment. The trade statement wasn't issued at the forum's conclusion on Monday.

"Transparency about plans and activities of all stakeholders must be the basis for our cooperation, together with open, public tenders and reciprocal market access," said a statement by the French Embassy in Beijing detailing the European Union's position on the forum.

The EU's spokesman on trade, Daniel Rosario, said the bloc couldn't support China's proposed trade statement as "it was not possible to confirm our joint commitment to international trade rules and to a level playing field for all companies." Beijing presented the statement late in the talks, he said, "and the process to elaborate this paper did not allow for an inclusive solution to be found."

The top U.S. representative at the forum, a National Security Council director, delivered brief remarks on Sunday echoing European attention to fair procurement practices, saying that ensuring transparency in bidding would benefit Silk Road projects. It wasn't clear if the U.S. delegation was involved in discussions over the forum's trade statement.

For Mr. Xi, the forum marked an opportunity to present himself as a global statesman and burnish his image at home, with state media featuring blanket coverage of him giving speeches and greeting foreign leaders.

Some governments, however, worry that the initiative mainly serves to advance Beijing's strategic interests and boost Chinese businesses abroad, while China restricts foreign access to its markets.

—Laurence Norman contributed to this article.

JEFF PACHOUD/AGENCE FRANCE-PRESSE/GETTY IMAGES

A freight train from Wuhan, China, arrives in Saint-Priest, France.

TOBIAS SCHWARZ/PRESS POOL

German lawmakers were blocked from visiting the country's troops at Incirlik Air Base in Turkey.

Germany Threatens to Pull Forces From Turkey in Spat

By Ruth Bender

BERLIN—Germany threatened to pull forces involved in fighting Islamic State from a Turkish air base after Turkey banned lawmakers from visiting German troops, escalating tensions between the two countries.

German Chancellor Angela Merkel on Monday said Turkey's decision to block a visit to the Incirlik Air Base was "unfortunate" as it was "absolutely essential" for lawmakers to be able to visit the soldiers stationed there. Germany's parliament must authorize all military deployments abroad.

"We will continue talks with Turkey but in parallel we will also do what is set out in the mandate, that means, searching for alternatives," Ms. Merkel said.

The threat to pull forces underlines the growing loss of trust between the two North Atlantic Treaty Organization allies over recent months. The two countries have been clashing over a series of issues—from the detention of German journalists to Turkish government efforts to gain support among Turks in Germany for a constitutional referendum expanding the presidency's powers.

Turkey didn't immediately comment on the development. But while Turkey and European allies have seen relations deteriorate this year, Ankara has taken a more proactive path toward strengthening relations with the U.S.

President Recep Tayyip Erdogan is meeting Tuesday with President Donald Trump in Washington, where discussion is expected to focus on deepening intelligence-sharing efforts with Turkey to fight Kurdish terrorists at home and Iraq while the Pentagon implements a plan to arm Kurdish forces in Syria.

In recent months, German officials have studied eight possible alternatives to the Turkish air base. But until Monday, officials had publicly stressed that the goal was to stay in Turkey. That language changed as officials expressed exasperation with Turkey's actions.

Germany has about 250 soldiers, six Tornado reconnaissance planes and a refueling aircraft in Incirlik, where other countries that are part of a coalition targeting Islamic State in Syria are also represented.

Last June, Ankara barred German lawmakers from visiting the base after the German parliament voted to label the Ottoman-era massacre of Armenians a genocide. Turkey relented and authorized a visit in early October, but several lawmakers had been waiting for months to be allowed to visit.

"The ban of lawmakers' visits and the reasons for it provided by Turkey are a slap in the face for all those who despite everything continue to search for a dialogue with Turkey," said Christine Lambrecht, a lawmaker with the Social Democrats.

The Defense Ministry said it would look more closely at alternatives but added that any move could take months. Jordan is one possibility, but security conditions are less ideal than in Incirlik, said a spokesman for the ministry.

According to the German foreign ministry, Turkey told Germany that the visit, which was due to begin Tuesday and had been known to Ankara for weeks, wasn't possible given the current state of German-Turkish relations. Ministry spokesman Martin Schäfer said Turkey appeared to be angered by Germany's granting asylum to some Turkish military personnel amid a post-coup-attempt crackdown by Ankara.

Export Food, Not Jobs

Main points from our Midwest job creation roundtable last week:

- The Midwest is the world's low-cost producer of safe, high-quality meat, dairy and other foods. So the Midwest is perfectly positioned to export these products to the 2.5 billion people entering Asia's booming middle class.

- We support President Trump's great focus on trade and jobs for America because $1 billion of exports generates 8,000 new American jobs.

- Our goal is to continue the national conversation about doubling America's food production industry to $1.8 trillion and creating millions of new high-paying American jobs.

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Sincerely,

Anthony Pratt
Executive Chairman, Pratt Industries

Pratt Industries, one of the largest corrugated box manufacturers in the United States, proudly supports the American food industry!

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IN DEPTH

GROWTH

Continued from Page One

adjusted for inflation. Such growth would also make it easier for the administration to secure large cuts in corporate and individual tax rates, boost military spending, and maintain Social Security and Medicare without running larger deficits. Asked in April about potentially higher deficits from rate cuts in the tax plan, Mr. Mnuchin said, "The plan will pay for itself with growth."

If the economy expands at around a 3% rate over the next decade—a projection Mr. Mnuchin says the administration will make in its budget proposal later this month—government revenue over that time should be $3.7 trillion more than currently forecast, according to estimates by economists at Goldman Sachs Group Inc. The projection assumes no change in tax rates.

That would be enough money to build 292 aircraft carriers. It would fund 28 million additional months of Social Security payments for the average beneficiary.

Mr. Trump wants to spur the economy partly by improving the nation's trade position. Less red tape could help business operate more efficiently. A tax overhaul could give companies more incentive to invest and give individuals more desire to work, not to mention more disposable income to shop with.

Trump advisers also are hopeful that improved confidence and short-term economic news would spur capital spending that makes business more productive.

Finding the labor for this higher-functioning economy could be a challenge. Over the past decade, the population aged 25 to 54, known as the prime age, has been growing at just 0.1% annually. When the U.S. had consistent 3% economic growth in the 1980s, the prime-age population was expanding at a brisk 2.2% rate, thanks to the post-World War II baby boom.

Work-force participation rates, meanwhile, have flattened out lately for women and declined for decades among men.

At Macy's Inc., Chief Executive and President Jeff Gennette hit on a plan for growth with a 2015 agreement with Luxottica Group SpA to open LensCrafters shops in department stores. The plan is hobbled by a shortage of optometrists. "We are taking all of the graduating classes right now, and it is going to take us a full year to...satisfy the expansion that we have," Mr. Gennette said at a retail conference.

DARREN HAUCK FOR THE WALL STREET JOURNAL

Workers at an Ariens Co. factory in Wisconsin. The maker of lawn mowers and snowblowers can't find enough workers to meet its plans.

Without faster growth in workers, the labor force would need to churn out goods and services much more productively to give the economy room to grow at a 3%-a-year rate over an extended period. The trend is the opposite. Workers' output per hour in the nonfarm business sector has been increasing only by 0.7% a year since 2010.

Many economists see that picking up in coming months, perhaps doubling. Meeting Mr. Trump's objective, though, would need "the type of growth we often refer to as productivity miracles," said Michael Feroli, chief U.S. economist at J.P. Morgan Chase & Co.

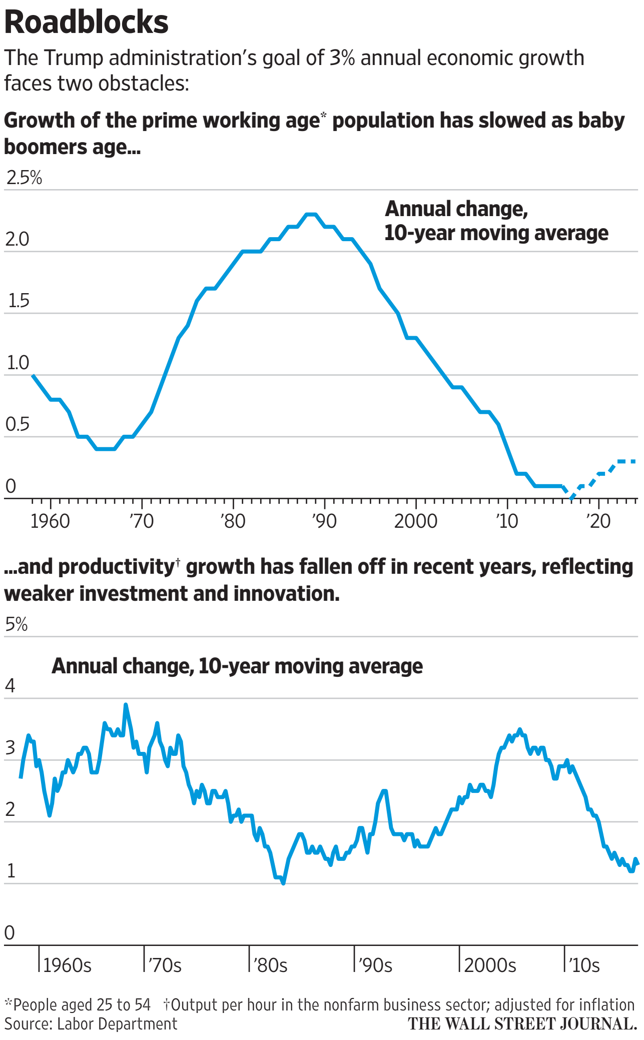
The contours of growth and the labor market are likely to influence the pace by which the Fed drains its easy money from the financial system. If growth advances and productivity does too, policy makers may be able to keep interest rates lower for longer because productivity growth holds down inflation. Companies can boost profit margins and hold down costs, and thus inflation, when they can produce more goods and services with fewer workers.

If, on the other hand, the administration's policies boost demand without drawing in new workers or raising their productivity, the growth that results could be harder to sustain because it would produce inflation. The Fed would feel additional pressure to raise interest rates to prevent the economy from overheating.

With the unemployment rate now at 4.4% and operating at a level economists consider to be "full employment," meaning the economy produces as many jobs as it can without spurring inflation, the labor market provides little room for the kind of economic surge that marked the 1980s.

"Strong growth during the Reagan years was driving unemployment from 10% to full employment. We can't do that trick again," said Joel Prakken, senior managing director of Macroeconomic Advisers, a forecasting firm.

The Trump administration has faced internal tensions over its growth forecast. Officials ultimately settled on economic growth forecasts in its upcoming budget proposal to Congress that will show the economy reaching 3% growth after two years, according to Mr. Mnuchin.



*People aged 25 to 54 †Output per hour in the nonfarm business sector; adjusted for inflation
Source: Labor Department
THE WALL STREET JOURNAL.

The president is pushing some policies that work against economic growth. Relatively low birthrates and an aging population mean immigration is the source of nearly all of the work force's net increase, so its growth rate would be even lower if legal immigration were curbed. That makes boosting productivity all the more important if the economy is to get onto a faster growth plane.

Home builders are wrestling with both issues. The real-estate crisis a decade ago washed many skilled workers out the construction labor force. At Camden Property Trust, this dearth has extended the time it takes to build a low-rise apartment complex to 24 months from 18.

"I'm often paying unskilled workers more money, and I have to pay someone else to come in and fix crooked walls and moldings and cabinets that don't connect," said CEO Ric Campo of Camden, which operates in 16 markets and is based in Houston.

Camden uses efficiencies such as prefabricated concrete building panels and roof trusses, "but there hasn't been a huge breakthrough yet where we can lower costs dramatically," said Mr. Campo. "You have a nail gun instead of a hammer, OK? But you still have to line it up and pull the trigger."

Productivity in construction has contracted at a 1% annual rate since 1995, according to a study by McKinsey Global Institute, the research arm of McKinsey & Co., due in part to reliance on unskilled workers and in part to government red tape.

Joel Shine, chief executive of builder Woodside Homes Inc., visited Kyoto, Japan, to see how firms there use automation in home construction. He thinks it would take at least a decade for the innovations to become mainstream in the U.S., in part because they would require building-code changes.

State and local rules often play as big a role for his business as the federal government. Higher permitting fees, for instance, have raised construction costs in California towns. "There are a lot of places if you gave me a raw lot for free—for free!—I could not even come close to building an entry-level house," Mr. Shine said.

Immigration restrictions would make growth harder, he added. "We're somewhat uniquely capable of helping the administration get to where they want to go, but they can't ask us to do that and then make immigration impossible," Mr. Shine said.

White House Budget Director Mick Mulvaney, who once ran his family's real-estate business, disputed that premise and pointed to millions of prime-age workers who aren't in the labor force. "If you created economic opportunity and jobs that they want, they would come back," Mr. Mulvaney said. "So I'm not worried about the tightness of the labor supply."

If that proves insufficient, the onus will be on productivity. It isn't easy either to measure or to predict. The U.S. economy enjoyed a boom in productivity from around 1995 through 2004, a spurt few economists foresaw. By 2003, the conventional wisdom had reversed and economists polled by The Wall Street Journal were expecting productivity growth to continue unimpeded. Instead, it slumped.

The weakness reflects a sustained deceleration in the pace of innovation and investment. Capital investment growth slowed sharply during and after the 2007-09 recession.

Goldman economists see evidence that the slowdown has been cyclical, driven by the financial crisis, and now could be changing. Mr. Ariens, the snowblower executive, offers one bit of evidence. He plans to spend $9 million this year on factory upgrades, including advanced metal-stamping machines that could do the work of a dozen workers.

Some productivity optimists say gains from new technology will build in the years ahead. They see businesses incorporating a backlog of innovations in artificial intelligence, from self-driving vehicles to the processing of routine clerical work.

A paper from four growth specialists published by the Brookings Institution in March takes a dimmer view. It maintains that almost the entire

Two obstacles stand in the way of 3% growth: the work force and productivity.

shortfall in output during the recent expansion reflects long-term forces unrelated to the financial crisis and recession, including a drop in a measure of economic dynamism called "total factor productivity." That measure reflects how efficiently labor and capital are used.

Many economists say well-designed cuts in taxes and regulations could deliver a lift to the U.S. economy that would nudge growth to 3% for a year or two. They are less confident it could be sustained. Dale Jorgenson, a Harvard University economist who specializes in growth accounting, thinks that the economy should expand 1.8% annually over the next decade, but that a well-designed tax-code overhaul might boost the long-term growth rate to 2.4%.

"In some respects," said James Stock, a Harvard colleague and veteran of the Obama administration, "2.5% growth could be the new 4%, in that it would still be a significant accomplishment."

—Suzanne Kapner contributed to this article.

CHINA

Continued from Page One

plan, which it says will allow people from all nations to have a "shared life of harmony, peace and prosperity."

In all, hundreds of firms have registered names invoking a trade vision that has plenty of nicknames—OBOR, the Belt and Road Initiative, B&R—none of which trip easily off the tongue.

That is in addition to state-sponsored rollouts, like the China Mobile OBOR mobile-roaming plan, several theme parks and belt-and-road-themed calligraphy and arts exhibitions. Also, a sand-sculpting competition and sundry B&R classical-music shows.

China's leaders see "One Belt, One Road" as a way to help domestic companies find new markets and for Beijing to expand its influence via roads, ports, trains and pipelines. For recipient nations, it is a source of much-needed investment: China has plowed more than $50 billion into belt-and-road countries, according to state media; unofficial spending projections have reached trillions of dollars.

President Xi Jinping, who launched the plan in 2013, has likened it to a "symphony" of economic cooperation, and there was certainly a sense of crescendo as Mr. Xi prepared to host leaders from around 30 countries for the nation's two-day OBOR summit, which started Sunday. Across Beijing, shrubbery was trimmed into camel motifs and other Silk Road shapes.

To mark the event, an Air China crew quizzed passengers on a May 5 Beijing-to-Frankfurt flight on their knowledge of Mr. Xi's grand plan (prizes, including a model airplane, were offered). They cut into belt-and-road cake and held an onboard poetry reading, including a work titled "Forever Friends."

Building on the music theme, state media calls it a "sonata" to unite countries. Numerous OBOR songs include one in Laotian (a high-speed train is slated to link southern China to Vientiane, the capital of Laos), another in Cantonese and an upbeat English-language composition, paired with a video of children singing, "The future's coming now, the Belt and Road is how."

Beijing entrepreneur Yang Yanjun last month organized a belt-and-road-themed fighting tournament, featuring mixed martial arts and wrestlers from countries along the trade routes, including Russia and Georgia. The competition was aired by state broadcaster China Central Television.

He plans more wrestling matches, featuring competitors from belt-and-road countries. As Mr. Xi's outreach directs itself to corners of the world that have gotten little attention by the West or international banks, Mr. Yang sees himself as offering opportunities to athletes in such nations. "Many of them may never have the chance to compete in other places like America," he says. "Now they can come to China."

THOMAS PETER/REUTERS

Art installations are supporting the One Belt, One Road campaign.

Rhetoric from Beijing reliably comes with blanket media coverage, and companies take their cues accordingly. After Mr. Xi introduced the concept of a "China Dream," for example, entrepreneurs rushed to cash in, producing everything from China Dream alcohol to China Dream plastic bags.

Another recent slogan, "The New Normal"—used by leaders to describe China's slowing economy—was appended to the names of hundreds of companies from car dealers to textile firms. While in the U.S., such names might sound bizarre, in China, the business culture is heavily government-driven, and especially in the absence of robust domestic brands, imitation is a common strategy.

Yu Xiaoxian, an entrepreneur in southern China who has registered half a dozen companies invoking the OBOR theme, says the plan will help the country become more powerful, which will benefit ordinary Chinese entrepreneurs. "When big rivers have water," he says, "small streams are also full."

Others say they found the name of Mr. Xi's initiative evocative. They included Liu Hongchun, whose Shanghai-based company last year began selling "Road & Belt" coffee along with a filter-equipped travel mug. "We call it 'Road and Belt' because wherever you go, you can take it with you," he said. "It's very convenient that way."

"The wider notion of a harmonious China reaching out and connecting to the world lends itself to appropriation and adaptation," says James Sidaway, political geography professor at the National University of Singapore. "There's this proliferation of places trying to get involved in it and buying into it," including many local Chinese governments.

For many businesses, though, tapping into the hype hasn't been particularly helpful. "Actually I don't do any exports and my company doesn't have anything to do with 'One Belt, One Road,'" says Zhao Yuancheng, who runs an online belt-and-road jewelry shop in Shenzhen. "In fact, the name hasn't really benefited me at all."

Mr. Hu of the OBOR-themed toothbrushes sees the branding as an act of patriotism, saying he hopes his firm can educate more people about the plan. So far, the company has sold some 600,000 sets of the toothbrushes. The low price point, he says, makes it particularly attractive to rural or migrant workers, who may not be so educated about Mr. Xi's trade vision.

"Even a small thing like a toothbrush can help you support the nation's strategy," he said.

—Kersten Zhang contributed to this article.

Xi's Belt and Road Vision Points Way To Global Prosperity

By XINHUA WRITERS WANG CONG AND MENG NA

A freight train loaded with French wines, automobile parts and agricultural products departs from Lyon at the beginning of a 16-day journey.

In just over two weeks, it will trek across Germany, Poland, Belarus, Russia and Kazakhstan, before arriving at its final destination, Wuhan in central China. The journey is three times faster than by sea, and the cost is about a fifth of air freight.

The 11,300-km Lyon-Wuhan railway that made it all possible is part of the Belt and Road Initiative proposed by Chinese President Xi Jinping more than three years ago.

The ambitious initiative - linking dozens of countries along a land-based Silk Road Economic Belt and an ocean-going 21st-Century Maritime Silk Road - is a crucial component of Xi's foreign policy.

Its name takes reference from a historic network of trails and caravan routes that linked the civilizations of Asia, Europe and Africa and transformed the nature of international trade links.

More than 2,000 years ago, China's imperial envoy Zhang Qian braved a world of uncertainties on a diplomatic mission to Central Asia, setting in motion an economic miracle.

In the centuries that followed, numerous trading posts cropped up along the Silk Road first opened up by Zhang, and an endless stream of goods and materials flowed in both directions. Ideas, technology, culture, and religions spread, creating a seamless network that truly connected East and West.

Now, with the world struggling to close a widening development gap while protectionism rears its ugly head, China wants to reinvigorate the heritage of these historic routes and transform them into a modern story of inclusive growth and cross-continental cooperation.

In September 2013, on a state visit to Kazakhstan, Xi first suggested that China and Eurasian countries join hands to build a Silk Road Economic Belt.

A month later, the Chinese

Left: A China Railway Express train to Europe arrives in Warsaw, Poland on June 20, 2016. XIE HUANCHI / XINHUA
Right: Chinese President Xi Jinping and his Polish counterpart Andrzej Duda greets the China Railway Express train to Europe arriving in Warsaw on June 20, 2016. LAN HONGGUANG / XINHUA

President proposed in Indonesia to build a close-knit China-ASEAN community and offered guidance on constructing a 21st Century Maritime Silk Road to promote maritime cooperation.

The idea is to combine the rapidly expanding Chinese economy with the benefits of all parties involved through an inclusive platform.

"The Belt and Road connect economies in the Asia Pacific and Europe. China and the countries along the Belt and Road will share the benefits of the project such as bolstering the economy, improving people's livelihood and tackling crisis," Xi said in November 2014.

Thus far, his grand vision has been backed by concrete action, and the early harvests of the initiative are but a fraction of its potential.

Already, the initiative has had a noticeable effect on trade and investment. In 2016, China's combined imports and exports with countries along the Belt and Road amounted to some 913 billion U.S. dollars, over a quarter of China's total trade value that year.

As the clear benefits of the initiative become more obvious, doubts have begun to abate.

In the first quarter of 2017 alone, Chinese enterprises invested 2.95 billion U.S. dollars in 43 countries along the Belt and Road.

All in all, Chinese businesses have invested more than 50 billion U.S. dollars in Belt and Road countries, and helped build 56 economic and trade cooperation zones, generating nearly 1.1 billion dollars in tax revenue and creating 180,000 local jobs.

With growing recognition of the initiative, misunderstandings have waned.

Belt and Road countries account for about 60 percent of the world's population and 30 percent of global GDP.

So far, the initiative has won support from more than 100 countries and international organizations, of which over 40 have signed cooperation agreements with China on Belt and Road.

The United Nations General Assembly, the UN Security Council, APEC and the Asia-Europe Meeting have all incorporated or reflected Belt and Road cooperation in resolutions and documents.

The establishment of the Silk Road Fund and the Asian Infrastructure Investment Bank (AIIB), which has recruited 70 members around the world, also provided new sources of support for the initiative.

With deepening friendships, hostility has diminished, and with increasing consensus, opposition has receded.

The Belt and Road Initiative is important to China, but it goes far beyond benefiting China alone.

It offers a solution to global economic difficulties and uncertainties worsened by a sluggish recovery, downturns in trade and investment, a lack of growth momentum, and setbacks in globalization.

In Xi's own words, the Belt and Road Initiative originated in China, but has delivered benefits well beyond its borders.

Against today's global economic headwinds and rising risks of protectionism, the initiative gives hope that openness, shared development and cooperation will bring down walls and barriers.

China Railway Express trains to Europe now operate 39 routes across Eurasia.

The multi-purpose road-rail Padma Bridge, which is being built by a Chinese company, is expected to add 1.5 percent to Bangladeshi GDP when it opens in 2018.

The China-Pakistan Economic Corridor, meanwhile, will build a 3,000-km economic belt made up of roads, railways and energy infrastructure between the ports of Gwadar in Pakistan and Kashgar in China's Xinjiang.

As the helmsman of the world's second largest economy, Xi's active involvement in the initiative is indispensable for its success.

The Chinese president speaks on the Belt and Road during almost all of his foreign state visits.

Xi attended the opening ceremony of the Port City Project in Colombo, Sri Lanka in September 2014. At the side of Polish President Andrzej Duda, he also personally greeted the Chinese freight train to Europe in Warsaw in June 2016.

In his latest tête-à-tête with U.S. President Donald Trump at Mar-a-Lago earlier this year, Xi told his U.S. counterpart that China would welcome the United States' participation in the Belt and Road Initiative.

But Xi's ambitions far transcend cement and steel.

Beyond trade and infrastructure, China's long-term goals for the Belt and Road also include policy coordination, financial integration and people-to-people bonds, all of which provide a new vision for the future of humanity.

"The initiative has become the linchpin connecting China's domestic and global ambitions," said Zheng Yongnian, director of the East Asian Institute at the National University of Singapore.

The Belt and Road is a strong driver for globalization, Zheng said, and the development-based globalization proposed by China means shared growth of all.

Chinese officials have repeatedly stressed that the Belt and Road is in essence an initiative for international cooperation, open to all like-minded countries and regions.

Just last month, Foreign Minister Wang Yi compared it to "a circle of friends" open to all countries that share the same goals, rather than an exclusive club.

With that in mind, the Belt and Road Forum for International Cooperation held in mid-May has been designed to expand consultation, to seek new ways to make joint contributions, and to ensure that the benefits are shared with all. The forum has translated the ambitious blueprint into a solid structure and turned a new page in the Belt and Road Initiative.

Twenty-nine foreign heads of state and government leaders have attended the forum. Other delegates include officials, entrepreneurs, financiers and reporters from over 130 countries, and representatives of key international organizations.

As President Xi put it, the Belt and Road is not a private driveway for a certain party, but a broad avenue on which all can march forward together.

Wang Cong and Meng Na are writers for Xinhua News Agency.

Guangzhou ramps up its Belt and Road initiatives

By XINHUA WRITERS YU ZHONGWEN, SHANG XU, MA QIAN, MA XIAOCHENG

Since China announced its Belt and Road plans in 2013, Guangzhou has taken a lead in pushing the initiative forward.

A traditional trade center often referred to as China's "1,000-year-old business capital", Guangzhou is developing its infrastructure in-line with plans to connect China to Central Asia, Europe, Africa and The Middle East via a modern Silk Road.

To aid the development of Belt and Road, Guangzhou district governments are promoting innovation and entrepreneurship by hosting competitions involving participants from the likes of United Arab Emirates (UAE), Israel, and the United States, with the aim of selling the city to the international tech community.

Free trade zones (FTZs) are also top of the agenda for Guangzhou officials. Two years ago, the city's Nansha District entered a pilot program to promote foreign trade and investment. According to 2016 figures, the total import and export volume of Nansha's FTZ reached nearly 170b yuan (US$24.66b), one fifth of Guangzhou's total volume.

To simplify paperwork for international businesses, Guangzhou has set up administrative service centers across the city, often with historical ties to the Silk Road, including one in Pazhou, an ancient port that housed this year's Canton Fair. "The center is a window to display the city's policy, economy, culture, arts and investment environment," Jiang Wei, head of the Pazhou center, told Xinhua.

More than 360 companies from countries along the Belt and Road participated in this year's Canton Fair, organizers of the city's trade showcase said.

Following the launch of Belt and Road, Guangzhou has redoubled its efforts to expand its network. Since 2013, Guangzhou has established official ties with cities across the world including Ahmedabad, Incheon, Kinshasa, Phnom Penh, Prague, and Rabat.

"In recent years, with the development of the economy ... we have shared our development experience with cities along the Belt and Road," said Chen Jie, director of the Asian, African and Oceanian Affairs Division of Guangzhou Foreign Affairs Office.

"Last year, a special team was established to deal with affairs of Asia, Africa and Oceania, to facilitate cooperation between Guangzhou and cities along the Belt and Road," Mr Chen added.

More than 55 countries have now established consulates in Guangzhou. "The Belt and Road initiative has injected new impetus in the economic and trade exchanges between Guangzhou and foreign cities," said Luo Zheng, director of the Comprehensive Division in the Commission of Commerce for the Guangzhou government.

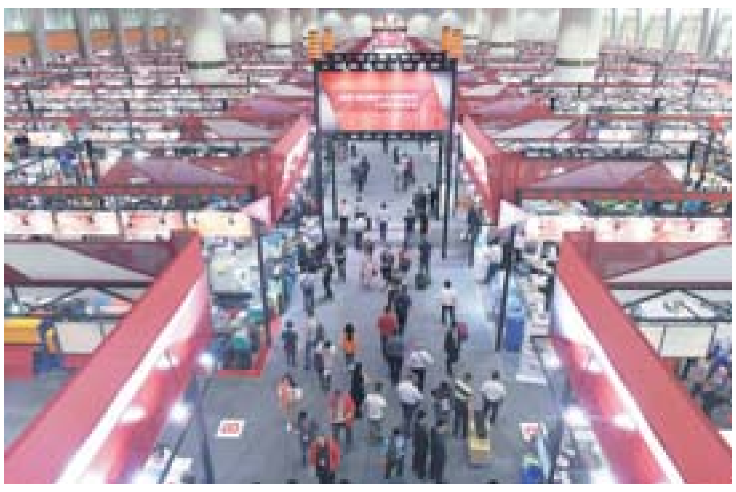
Another area in which Guangzhou has stepped up its efforts is in upgrading its transport network to link the Belt and Road via air, land and sea.

Guangzhou based China Southern Airlines is a central part of the city's plans to expand its Belt and Road network in the skies. The airline has a fleet of more than 700 passenger and cargo aircraft, according to Qu Guangji, deputy director general & SVP of the network and revenue management division for the airline's commercial steering committee.

As of April 2017, China Southern Airlines reached 68 cities and 38 countries along the Belt and Road, Mr Qu told Xinhua, adding the company plans to open new routes from Guangzhou to destinations along the road, including Johannesburg, Tehran and Islamabad.

These routes will already add to Guangzhou Baiyun International Airport's roster of destinations that includes 87 international cities, with 52 of these in 27 countries along the Belt and Road,

Pazhou Administrative Service Center, with an advantageous location in Guangzhou.



The world-renowned China Import and Export Fair, founded 60 years ago, has been regarded as the barometer of China's foreign trade.

according to data provided by airport officials to Xinhua.

The expansion of airport routes has been mirrored with development of Guangzhou's train network. In August 2016, the city launched its first weekly cargo train to Europe, adding to its already significant shipping capacity and maritime trade.

Yu Zhongwen, Shang Xu, Ma Qian, Ma Xiaocheng are writers for Xinhua News Agency.

Officials Move Fast to Fill FBI Job

Schumer suggests Democrats may slow process unless special prosecutor is named

The Trump administration is pressing to pick the next FBI director quickly, but congressional Democrats are threatening to withhold support for any nominee unless an independent investigator is appointed to look into possible ties between Russia and associates of the president.

By Aruna Viswanatha, Del Quentin Wilber and Louise Radnofsky

JACQUELYN MARTIN/ASSOCIATED PRESS

Andrew McCabe, acting director of the Federal Bureau of Investigation, testified on Capitol Hill last week.

Justice Department officials held over the weekend what they described as substantive discussions with at least eight candidates to lead the bureau. The broad list of contenders includes a top Republican senator, two senior officials at the Federal Bureau of Investigation and a federal judge.

But President Donald Trump's firing last week of FBI Director James Comey as the bureau is conducting its Russia probe has spurred Democratic resistance. Sen. Chuck Schumer of New York, the chamber's Democratic leader, said Sunday he supported the idea of refusing to vote on a new FBI nominee until a special prosecutor is named to examine Russia's alleged meddling in the 2016 election.

"I think there are a lot of Democrats who feel that way," he said on CNN.

White House press secretary Sean Spicer said Monday there is no need for a special prosecutor.

Top administration officials defended on Sunday the president's decision to fire Mr. Comey. "The president is the CEO of the country," U.S. Ambassador to the United Nations Nikki Haley said. "He can hire and fire whoever he wants."

Mr. Trump, a Republican, signaled over the weekend that he could nominate a new director as soon as this week.

Meanwhile, Deputy Attorney General Rod Rosenstein, whose recommendation was originally cited by the White House as the reason Mr. Comey was fired, prepared to brief the Senate Thursday on Mr. Comey's dismissal.

Thursday's briefing for all 100 senators is slated to be closed to the public and media.

Over the weekend, Attorney General Jeff Sessions spent some time at the Justice Department interviewing FBI director candidates.

The FBI is part of the Justice Department, but the White House would ultimately make the call and choose the nominee, who would also need to secure a majority in the Senate to be confirmed.

The candidates include:

• Two current FBI officials: Andrew McCabe, the acting director, and Adam Lee, the top agent in Richmond, Va. Messrs. McCabe and Lee are considered the leading candidates to be tapped as interim director until a permanent successor can be named and confirmed by the Senate, according to people familiar with the process. The agency is expected to name an interim director, which wouldn't need Senate approval, this week.

• Sen. John Cornyn (R., Texas). The senior lawmaker has never worked at the Justice Department, though he served as attorney general in Texas and as a state judge. He sits on the Senate Judiciary and Intelligence committees, which have primary oversight roles over the FBI, and he is close to Mr. Sessions.

• Former Rep. Mike Rogers, a Michigan Republican. He previously served as chairman of the House Intelligence Committee and now works as a CNN contributor. He received the endorsement Saturday from the FBI Agents Association, which represents more than 13,000 current and retired agents.

• Alice Fisher, a lawyer who served as a top Justice Department official in the administration of former President George W. Bush, a Republican.

• U.S. District Judge Henry Hudson, a former federal and state prosecutor who, as a federal judge in 2010, ruled that a key provision of the Affordable Care Act was unconstitutional.

• Frances Townsend, a top national-security adviser to Mr. Bush who held senior Justice Department positions in the administration of former President Bill Clinton, a Democrat.

• Michael Garcia, a New York state appeals court judge who was the U.S. attorney in Manhattan in Mr. Bush's administration.

Also over the weekend, a former adviser to Senate Majority Leader Mitch McConnell (R., Ky.) told Fox that Mr. McConnell thought Merrick Garland, the federal appeals court judge whom former President Barack Obama had nominated to the Supreme Court, would be a "fantastic" choice. Mr. Garland wasn't among the candidates brought in for an interview on Saturday, and it is unclear whether the administration would consider him.

Justice Department officials declined to provide details of the interview process, or who might have emerged as serious contenders for one of the most coveted, prestigious and difficult jobs in law enforcement.

Mr. Trump, speaking aboard Air Force One en route to deliver a commencement address Saturday, said he could name a new director before he departs Friday on his first foreign trip.

"I think the process is going to go quickly," he said. "Almost all of them are very well known. They've been vetted over their lifetime, essentially."

Trump Bars Aid Tied to Abortion Overseas

By Felicia Schwartz

WASHINGTON—The Trump administration unveiled a dramatic expansion of a policy that prevents federal funds from going to foreign organizations that perform or advise on abortions, spurring criticism that the move would impact integrated health systems that offer other types of care.

Senior administration officials said Monday that the ban now will apply to $8.8 billion in global health assistance funds, greatly enlarging the reach of an antiabortion policy that has been reversed and reinstated in successive Democratic and Republican administrations.

Senior administration officials briefed lawmakers and reporters on implementation of the policy directive on Monday, and said the new approach will begin to take effect gradually in the coming months as relevant agencies move to implement necessary steps and grants come up for renewal.

"The policy...implements what the president has made very clear, U.S. taxpayer money should not be used to support foreign organizations that perform or actively promote abortions as a method of family planning in other nations," a senior administration official said.

Critics say the rule restricts access to health and family-planning services.

The rule, known as the "Mexico City policy," was first instituted by Ronald Reagan, and the name refers to the city in which he announced it in 1984. The Trump administration said it would now call the directive "Protecting Life in Global Health Assistance."

Foreign nongovernmental organizations aren't allowed to use U.S. funds to perform abortions. But under the new rule announced in January and whose implementation was detailed Monday, they also won't be able to receive any U.S. funds if they perform abortions or provide abortion-related services using other funds, even those not provided by Washington.

Previous versions of the rule applied to family-planning programs funded by the State Department and the U.S. Agency for International Development, which make up roughly $600 million in spending.

The new parameters announced Monday include about $6 billion in funds for the President's Emergency Plan for AIDS Relief, known as PEPFAR.

The added impact means the ban now will apply to almost 15 times as much U.S. global health assistance money.

The controversial policy, also dubbed the "global gag rule" by critics because it restricts organizations that seek U.S. funding from dispensing information about abortion, has faced strong resistance from Democrats and aid and advocacy organizations who say it restricts women's ability to access health and family-planning services.

Democrats, aid and advocacy organizations said Monday that the expanded policy could harm women and children seeking care from integrated health systems that offer all types of care.

Antiabortion groups applauded the Trump administration's move.

Carol Tobias, president of the National Right to Life Committee, said it would "ensure that U.S. taxpayer funds are directed through organizations that work to preserve human life, not to take it."

High Court Won't Review Voting-Law Appeal

By Brent Kendall

WASHINGTON—In a win for voting-rights advocates, the Supreme Court Monday declined to consider an appeal that sought to revive North Carolina's Republican-backed tighter rules for voting.

The court's action was a final legal blow against the restrictions. It came after the state's new Democratic administration sought to drop the case, which prompted an intrastate squabble in which the GOP sought to keep it alive.

A federal appeals court last year invalidated the contested North Carolina voting rules, finding state lawmakers had enacted them with an intent to discriminate against black voters. Because the Supreme Court took a pass on the case, the appeals court ruling will remain the final word in the litigation.

North Carolina, with Republicans in control, passed the changes in 2013, citing a need to preserve the integrity of elections.

The new rules didn't allow voters to register and vote on the same day, and didn't allow voting out-of-precinct. The state also reduced the days available for voters to cast a ballot early.

The state additionally imposed a requirement that most voters show photo identification such as a driver's license, passport, or military or veteran's identification card.

Voters, civil rights groups and the Obama-era Justice Department challenged the North Carolina law, arguing the state purposely made it harder for minorities to vote.

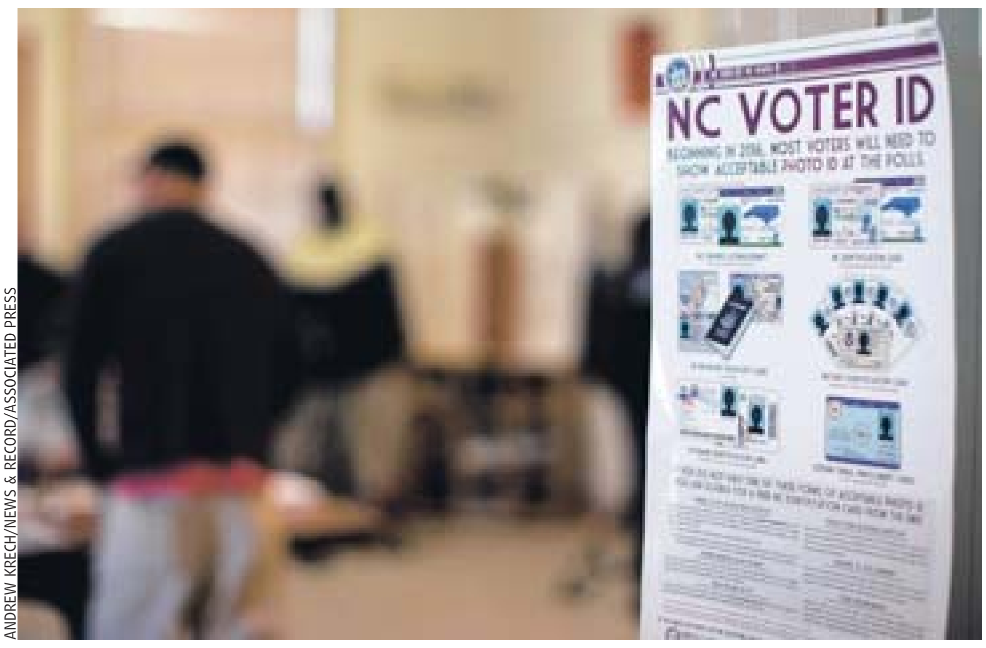
Litigation over the state restrictions was among the most closely watched election law battles ahead of last November's vote.

The appeals court decision that prohibited the voting restrictions criticized North Carolina lawmakers for targeting African-Americans "with almost surgical precision."

Court watchers thought North Carolina's appeal might provide clues about the recently restored conservative majority's views on voting rights after last month's confirmation of Justice Neil Gorsuch.

In a two-page statement Monday, Chief Justice John Roberts noted the "blizzard of filings over who is and who is not authorized to seek review in this court under North Carolina law," suggesting that was a reason the court chose not to hear the case.

The chief justice emphasized that the court's action was "no expression of opinion upon the merits of the case."



ANDREW KRECH/NEWS & RECORD/ASSOCIATED PRESS

North Carolina had passed legislation requiring most voters to show photo IDs at polling places.

Montana Race to Test President's GOP Allure

By Janet Hook

EAST HELENA, Montana—As President Donald Trump grapples with the fallout from his firing of Federal Bureau of Investigation Director James Comey, a House election here will test whether it is politically safer for Republicans to be with Mr. Trump than against him.

Greg Gianforte, the GOP businessman running to fill Montana's only House seat, is campaigning with one of the president's sons, Donald Trump Jr., and Vice President Mike Pence. He promises to "drain the swamp" and "make America great again." He supports the Comey firing decision.

Opposing Mr. Gianforte is professional bluegrass musician and political novice, Democrat Rob Quist, in what Republicans say is a referendum on the Trump presidency. Mr. Quist has campaigned on a populist platform largely devoid of the anti-Trump rhetoric that has galvanized liberals across the U.S. The May 25 election here will pick a successor to Ryan Zinke, who left Congress to become Mr. Trump's Interior Secretary.

Mr. Gianforte's embrace of the president reflects the reality that most Republicans have been reluctant to break with Mr. Trump. The latest Wall Street Journal/NBC News poll found that 58% of Republican respondents supported the Comey firing.

Democrats concede they have an uphill fight in the Montana race.

U.S. WATCH

ALABAMA SENATE

Brooks Joins Contest For Sessions's Seat

Alabama Rep. Mo Brooks is joining the race to succeed Sen. Jeff Sessions, he said Monday, presaging a contest that is likely to test the loyalties of some of the nation's most conservative voters.

Mr. Brooks, a member of the conservative House Freedom Caucus, is launching a primary election challenge to Republican Sen. Luther Strange, whom former Alabama Gov. Robert Bentley appointed to the Senate in February after Mr. Sessions was confirmed as attorney general under President Donald Trump.

In April, Mr. Bentley resigned as part of an agreement to plead guilty to campaign finance misdemeanors related to an alleged extramarital affair with an aide, an investigation Mr. Strange had overseen as Alabama attorney general.

Mr. Bentley had scheduled the special election for the remaining years of Mr. Sessions's term, which runs through January 2021, for November 2018 to coincide with the midterm elections. His successor, Gov. Kay Ivey, changed the date so the contest will take place this year, depriving Mr. Strange of a year of incumbency to solidify his hold on the seat. The primary is set for Aug. 15 and the general election will be Dec. 12.

Mr. Brooks, 63 years old, is known as one of the most conservative House Republicans, particularly on immigration issues.

—Reid J. Epstein

ECONOMY

Home Sales Rose 1.4% in Quarter

Home sales in the first quarter hit their fastest pace in a decade, a sign that rising prices and slightly higher mortgage rates haven't deterred home buyers from rushing into the market.

Total existing-home sales climbed 1.4% in the quarter to a seasonally adjusted annual rate of 5.62 million, the highest since the first quarter of 2007, according to the National Association of Realtors.

The national median home price, meanwhile, jumped 6.9% from the same quarter a year earlier to $232,100, the sharpest price gain in nearly two years.

Demand remains strong as millennials begin to enter the housing market in force.

When accounting for population growth, the pace of sales today reflects what economists consider a normal market like that of the early 2000s, when the pace of sales was just under 5 million homes a year.

—Laura Kusisto

PAID ADVERTISEMENT

Floral Whisper along the Silk Road

GUANGZHOU, FLOWER CITY IN BLOOM

Kapok, Jasmine, Lotus, Rose,Orchid: A Dynamic City Full of Contrasts

With stamped letters from five countries along the silk road, accompanied by the floral whisper of the kapok, jasmine, lotus, rose and orchid; I, Guangzhou, would like to thank you all for nurturing my resplendence and charm with your openness, beauty, vitality, inclusiveness and friendliness, and for taking me back to the two-thousand-year history of myself.

I am your Guangzhou, the world's Flower City.

Facing the sea, with mountains as its backyard, and with the Pearl River passing through, Guangzhou is richly endowed by nature for developing commerce and trade. 2,200 years ago, the Maritime Silk Road started from this ancient port city and led to the rest of the world.

Guangzhou, a world famous port city, established itself as the main port of the Maritime Silk Road since the third century, acquiring its long standing reputation as a hub for trade and commerce. It was China's largest port during the Tang and Song dynasties, and China's only port open to foreign trade during the Ming and Qing dynasties.

Ibn Battuta, a Moroccan pioneer of travel and exploration, described the richness of the southern Chinese port in his travels. The scene he stumbled upon reveals the affluence of Guangzhou Bay, where he saw numerous boats conducting trade and commerce.

The famous "Goteborg" merchant ship, a Swedish East Indian vesseland one of the most state-of-the-art vessels arrived in Guangzhou three times in the early 16th century. Loaded with Chinese porcelain, silk, tea and other goods, it it sailed back to the West . "Goteborg" became regarded as a symbol of Chinese and Western trade and cultural exchange.

The Maritime Silk Road had made Guangzhou affluent. When wanderingaround the city, one can easily find historical landmarks that demonstrate the long-standing prosperity of the maritime trade.

Displayed at the Archaeological Site Museum of Nanyue Palace (with over 2,200 years' history) and unearthed in Yuexiu District, Guangzhou, a number of historical treasures point to the historical wealth of the commerce industrythrough artifacts such as golden flower bubble ornaments from Mesopotamia, Persian-style silver box, African ivory, etc.Such a vast history allows Guangzhou to boast a highly developed trade infrastructureand support network.

Beijing Road, a pedestrian and shopping street located at the core of Guangzhou, dubbed the "Millennium Business City," and has been at the center of commerce through generations and five dynasties: South Han, Tang, Song, Ming and Qing.

Hidden in the hustling and bustling Liwan District, Guangzhou, there is the ancient "Hualin Temple." The stone monument with the inscription of Chinese characters "西来古岸", or Xi Lai Gu An in pinyin, literally meaning anancient coast for people from the West;It marked the landing site of this eastward sea-voyage of the Indian monk Dharma from Tianzhu (now India), who has been honored as the ancestor of the Chinese Buddhist Zen.

"The initial starting point of the Silk Road is in China, and the birthplace of the Maritime Silk Road, in Guangdong Providence,"says Rao Zongyi, a master of traditional Chinese culture.

"Guangzhou has always been the most important port of the Silk Road," says Professor Huang Qichen, a famous Maritime Silk Road researcher from Sun Yat-sen University.

The ancient Port of Huangpu, located in Haizhu District,was once a major port when Guangzhou was the only city in China that was open to foreign trade. Historical accounts that describe "merchant vessels converging, and thousands of sails competing," allowpeople to easily visualize the grandeur of its formative years.

The scenic Lychee Bay, located in Liwan District, Guangzhou, was sometimes referred to as a "fairyland on earth" owing to its Cantonese cuisine and dim-sum feature in large banquets that were hosted for guests from across the world, making it a savory feast blending Chinese and western cultures.

The Maritime Silk Road, unfailing for over two thousand years, has brought Guangzhou continuous vitality.

Zhujiang New Town Central Business District (CBD), located in Tianhe District, Guangzhou, has become a world-class business hub, which had an output value totaling 270 billion yuan in 2016, ranking first in the list of China's urban CBDs. The area exemplifies Guangzhou's prosperity with clusters of skyscrapers,within whichthe "Flower City Square," the Pearl River and the Guangzhou Tower form a beautiful city hall complex.

The "Maritime Silk Road" is back in the spotlight.

As China's southern gate, Guangzhou is now making greater efforts on opening up, innovation and development with a particular focus on world-class infrastructure.Guangzhou has a world-class harbor, airport, railway port and information port. With 170 sea routes and 151international and regional air routes, it has long been connected to the world's five continents; 58% of the Internet service in China's mainland is docking with the world's Internet through Guangzhou.

In 2016, the city's GDP reached about 1.96 trillion yuan, around the same level as that of Singapore and Hong Kong. And its per capita GDP exceeded 20,000 U.S. dollars.

Guangzhou has always strived to be both open and innovative. The city's government has devoted itself with the task of building and expanding a network of sister cities – currently numbering 36 – on top of 29 "International Friendship" cities.And up to 57 countries have set up consulates across Guangzhou. Such outward looking efforts have brought both partnerships and foreign direct investmentinto Guangzhou.

The world-renowned "China Import and Export Fair", or Canton Fair, having been annually held in Guangzhou for 60 years, is known both as a symbol and barometerof the city's continuous success in foreign trade.

Guangzhou will continue to attract the attention of the world in the next few years. Fortune Global Forum 2017, World Routes 2018 and the World Ports Conference 2019 will be held in Guangzhou.

As the world becomes increasingly globalized and interconnected, Guangzhou is becoming a pillar of economic strength and vibrancy through the innovative "Belt and Road" Initiative, since it's the starting point of the Road (the 21stCentury Maritime Silk Road). The city's strong foundation and the openness of its people will see it chart a course back to the world stage, making it a true jewel of the orient.

LIFE & ARTS

YOUR HEALTH | By Sumathi Reddy

It's School, No Sunscreen Allowed

Teaching about sun protection runs into roadblocks in the U.S. because sunscreen is considered medicine

THE SUNBEATABLES curriculum, designed by specialists MD Anderson Cancer Center, features a cast of superheroes who teach children the basics of sun protection including the obvious: how and when to apply sunscreen.

There's just one wrinkle. Many of the about 1,000 schools where the curriculum is taught are in states that don't allow students to bring sunscreen to school or apply it without a note from a doctor or parent and trip to the nurse's office.

Schools have restrictions because the U.S. Food and Drug Administration labels sunscreen as an over-the-counter medication. To override that, at least seven states including California, New York, Oregon and Texas, have passed laws that require that schools allow students to bring in and put on sunscreen, says Doug Farquhar, program director of environmental health for the **National Conference of State Legislatures**. . This year there has been a flurry of legislation. Arizona, Washington and Utah passed bills, and legislation is pending in Rhode Island, Louisiana, Georgia, Massachusetts, Mississippi, Alabama and Pennsylvania, to allow sunscreen.

"It has been a challenge," says Mary Tripp, an instructor in behavioral science at MD Anderson in Houston who developed the curriculum. "It's important that the school have policies in place that permit sunscreen application."

A spokeswoman for the FDA declined to discuss the agency's rules for sunscreen beyond noting that it regulates sunscreen as an over-the-counter drug. The legislation hasn't faced much opposition. In Rhode Island, the School Nurse Teacher Association opposes the proposed legislation due to concerns about students with allergies to sunscreen and the practicality of applying sunscreen to so many young children.

"This is common-sense legislation," says Elizabeth Tanzi, a Washington, D.C.-based dermatologist and member of the **American Academy of Dermatology**. The Academy, she says, "supports the fact that kids should be able to carry their own sunscreen, apply their own sunscreen, and it should be widely available in school and applied liberally."

Melanoma accounts for the majority of skin cancer-related deaths and is among the most common types of invasive cancers. One blistering sunburn in childhood or adolescence can double the risk of developing melanoma, says Dr. Tanzi. And sun damage is cumulative. **The Skin Cancer Foundation** notes that 23% of lifetime sun exposure occurs by age 18. Regular sunscreen application is a widespread recommendation among medical experts though some groups have raised concerns about the chemicals in certain sunscreens.

Specialists at MD Anderson developed and launched "Ray and the Sunbeatables" curriculum in 2015, on their own and without the sunscreen industry involvement. It is designed for children in preschool, kindergarten and first-grade and includes superheroes Ray and Serena. The lesson plan includes science experiments, art activities and songs that children sing while applying sunscreen. Students and teachers are taught to apply sunscreen at least 30 minutes before going outside and to reapply it every one to two hours.

CAROLYN VAN HOUTEN FOR THE WALL STREET JOURNAL

Kindergartners in San Antonio put on sunscreen, part of a new curriculum.

Holly Thaggard is chief executive and founder of Supergoop, a sunscreen brand which includes several products designed especially for children. She recently approached MD Anderson and is donating 64-ounce bottles of her sunscreen to some schools participating in the Sunbeatables program, as well as other schools that have learned about the promotion through social media. In the past month, Supergoop shipped sunscreen to 15 schools in five states.

Supergoop designed a pump to make it easy for children to use, and doesn't include controversial chemicals, such as parabens and oxybenzone. Ms. Thaggard came up with a jingle to the tune of "You Are My Sunshine," that helps children with the steps of sunscreen application. "It's meant to take the burden off the teachers and to teach the child in the classroom how to apply sunscreen," she says.

Howard Early Childhood Center in San Antonio, a prekindergarten and kindergarten school of more than 400 students, recently got Supergoop and is expected to implement the Sunbeatables curriculum next school year.

Marianne DiSabato, a kindergarten teacher at the school, taught her students about sunscreen the same way she has taught them about other important behavioral health habits, such as washing their hands before lunch. "I told them that we are going to develop a new habit," Mrs. DiSabato says.

In just a few weeks, she has created a classroom ritual before both the morning and afternoon recess. The big pump is placed on a work table in the front of the classroom. When the children assemble on the carpet before going outside they get a pump of sunscreen and apply it to themselves while waiting for instructions. They are welcome to get another pump on the way outside if they need more.

She instructs the children to do their faces first including their noses, cheeks and forehead and then the shoulders, arms and legs. The students sometimes sing one line from the jingle as they apply the sunscreen, "This is our sunscreen, our special sunscreen," they sing. "It keeps our skin safe when we go play."

(BELOW) FROM LEFT: LIZ HOLLIDAY, COLUMBIA NURSING; NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES, NATIONAL INSTITUTES OF HEALTH

HEALTH

NURSING HOMES GRAPPLE WITH 'SUPERBUGS'

BY LUCETTE LAGNADO

THERE'S A BUG PROBLEM in some nursing homes, and it's not what you think.

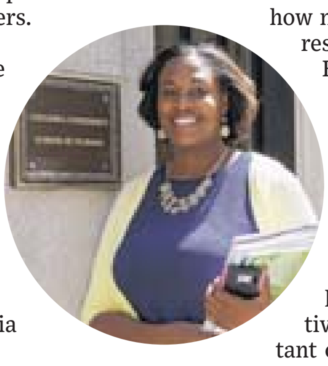
Residents of long-term care facilities are vulnerable to drug-resistant infections known as superbugs and can easily spread the deadly germs to others.

Between 11% and 59% of nursing-home residents have been "colonized" with certain types of superbugs, putting them at more risk of developing a full-blown infection, according to researchers at Columbia University School of Nursing. A person is colonized when a germ is on the skin or in the body—for example, in the nose. Although not yet infected, the person can easily spread the bug.

While government regulators and the public have focused on the dangers of superbugs in hospitals, how nursing homes cope with such hard-to-treat germs has received less attention.

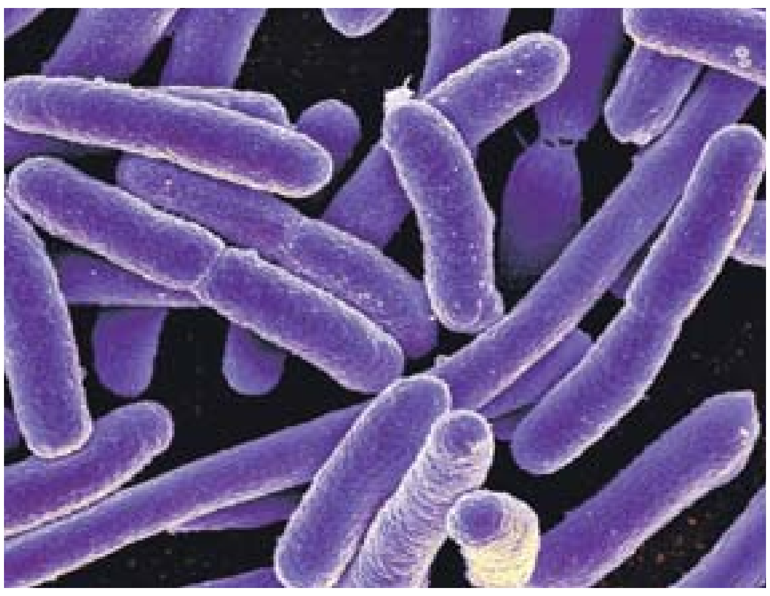
Yet nursing-home residents are "especially susceptible" to these infections because of their age, tenuous immune systems and many ailments, according to the Columbia analysis, published this month in the American Journal of Infection Control. Merely living in a nursing home is a risk factor, the paper says.

Studying nursing-home exposure to superbugs was the brainchild of Sainfer Aliyu, an emergency-room-nurse-turned-Columbia Ph.D. candidate. Ms. Aliyu, a 38-year-old immigrant from Jamaica, was struck by how many nursing-home residents arrived at the ER extremely ill with bloodstream infections. Curious about where and how they had developed the infections, she began researching dangerous superbugs known as gram negative multidrug-resistant organisms. These include a group of bacteria known as CRE—Carbapenem-resistant enterobacteriaceae—that can cause infections with up to a 50% mortality rate. An example of a CRE superbug is E. Coli, which is found in the stool; strains of E. Coli have become resistant to nearly all antibiotics.



"They are so deadly—and I wanted to know more," Ms. Aliyu said. "Some researchers will argue that nursing-home residents get the infections from the hospital, but I think it is very hard to tell where the infections came from."

Working with senior faculty, Ms. Aliyu pored over 327 articles about nursing-home infections before settling on eight that formed the basis of the team's statistical analysis. Their conclusion: 27% of nursing-home residents were "colonized" with certain superbugs, said Arlene Smaldone, an assistant dean at Columbia who crunched the numbers and is a co-author.



An image of E. Coli bacteria. Strains of E. Coli have become resistant to nearly all antibiotics. Inset, Sainfer Aliyu, who worked on research about superbugs.

"You have a fragile group of individuals. They are older, they are sick and they are living in these nursing homes," Dr. Smaldone said, noting that bacteria can enter through a break in the skin and develop into a full-blown infection.

"If you are colonized, the likelihood you will get a drug-resistant infection will be much higher," says Dr. Theresa Madaline, a clinical director of Infectious Disease Services at Montefiore Health System in Bronx, N.Y.

Cheryl Phillips, an official at LeadingAge, a trade association whose members include nonprofit nursing homes, said, "The vast majority of people colonized are never infected" with superbugs. While one-quarter of nursing-home residents may be carrying certain germs, "we are not seeing 25% of people infected" with drug-resistant organisms, she said.

Overuse of antibiotics—in nursing homes and society overall—is at the heart of the problem, Dr. Phillips, a geriatrician, said. She supports new policies by the Centers for Medicare and Medicaid Services that require nursing homes to have stronger antibiotics controls.

Infections have been a problem in nursing homes, says Robyn Grant, public policy director at Consumer Voice, an advocacy group for nursing-home residents, citing inadequate staffing, a concern also flagged in the Columbia paper. Among residents of long-term care facilities, there are between 1.6 million and 3.8 million cases of infection annually, resulting in 388,000 deaths, according to comments published in October by the Centers for Medicare and Medicaid Services in the Federal Register. How many of those infections involved drug-resistant organisms isn't clear.

The Columbia paper said controlling infections in nursing homes is challenging due to "understaffing, fewer resources, insufficient training, and inadequate surveillance." Communal living also is a factor. Nursing-home workers "roll patients into the dining rooms" when they may be carrying superbugs, says Betsy McCaughey, head of the Committee to Reduce Infection Deaths, a nonprofit.

Special Advertising Feature

FOCUS ON TURKEY

A Pipeline to Prosperity?

THIS IS A COUNTRY STRATEGICALLY POSITIONED BETWEEN RICH RESOURCES AND DEMAND

By Catherine Bolgar

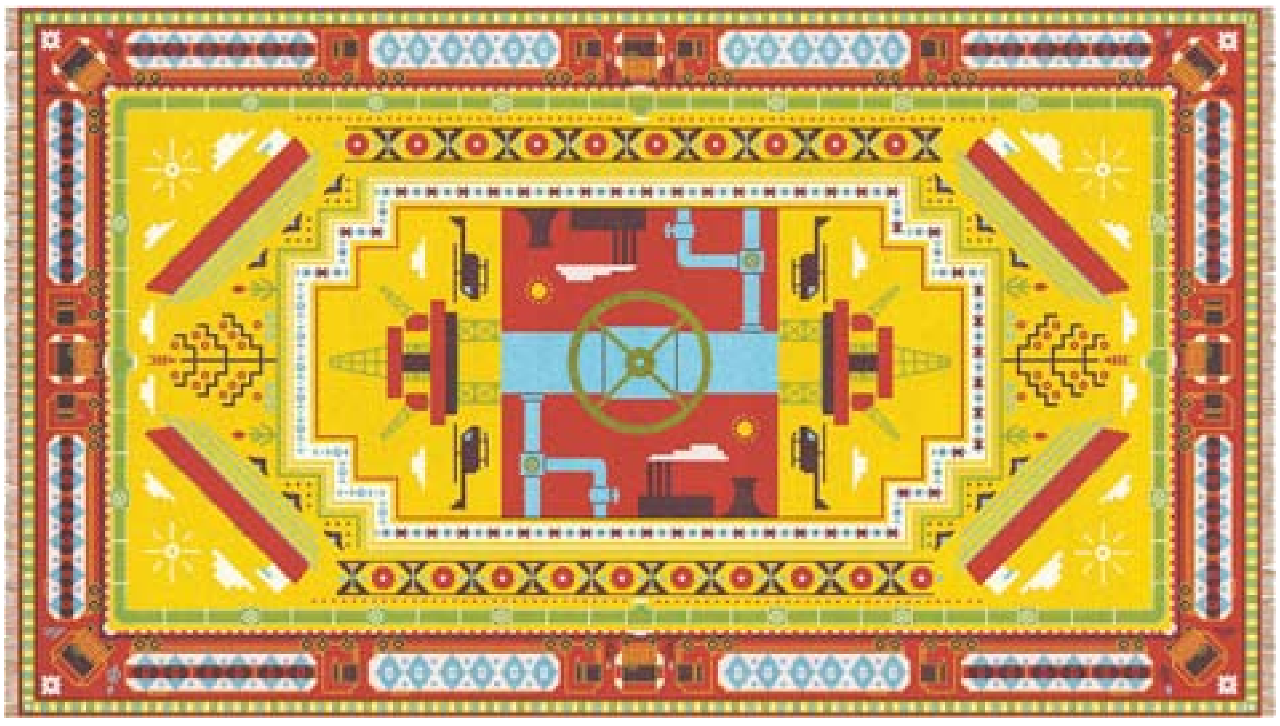


ILLUSTRATION BY MICHAEL KIRKHAM

Turkey is geographically suited to develop into an energy trading and transit hub.

"Turkey is in a beneficial position, located between resource-rich countries in the Caspian and Middle East and the Mediterranean, like Israel. On the other side is the energy-thirsty European market," says Simon Schulte, research associate at the Institute of Energy Economics at the University of Cologne, Germany. "It could develop into an energy bridge."

Over the years, several pipeline projects have been proposed that would bring Russian/Caspian gas or oil to European customers through Turkey. "Turkey's location obviously makes it a very good transit country on paper, but some of these projects failed to materialize due to commercial and/or political reasons. The Baku-Tblisi-Ceyhan crude-oil pipeline has been the only project that reached completion," says Murat Çolakoğlu, energy, utilities and mining leader at PwC in Turkey.

Going forward, however, two important pipelines could finally make Turkey an important transit country for Russian and Caspian gas to Europe, he says. The Trans-anatolian Pipeline (Tanap) is under construction and is expected to start delivering 10 billion cubic meters (bcm) of Azeri gas to Europe in 2019, corresponding to around 2%-3% of European consumption. Secondly, following the warming of relations between Turkey and Russia, Turkish and Russian parliaments have ratified the agreement for the construction of the Turk Stream pipeline.

In addition, Turkey and Israel are in talks for a natural-gas line via the Mediterranean Sea.

The European Union wants to diversify its energy supplies beyond Russia, which blocked gas exports to Ukraine in January 2006 and again in January 2009 during crises with Ukraine. The EU has financially backed Tanap, part of the Southern Corridor from Baku, Azerbaijan, to Brindisi, Italy.

Shale gas production took off in the U.S., adding supply just as the global economic crisis hit in 2008, sending down prices of both oil and natural gas. The growing market share for liquefied natural gas (LNG), especially from the U.S., poses a challenge for pipelines.

Ships carrying LNG "can go wherever they want," Mr. Schulte says. "You cannot reach other markets with a pipeline."

"TURKEY IS IN A BENEFICIAL POSITION... IT COULD DEVELOP INTO AN ENERGY BRIDGE."

Turkey has terminals at Aliağa and Marmara to receive LNG cargo shipments. State Oil Company of Azerbaijan Republic (Socar) is building its Star Refinery in Aliağa, just north of Izmir on the Aegean Sea. In the south, "Ceyhan has developed significantly as the exit point of the Baku-Tblisi-Ceyhan pipeline," says Mr. Çolakoğlu of PwC. "The port city could develop even further if the Samsun-Ceyhan crude-oil pipeline and the Ceyhan refinery projects of Çalık Holding materialize."

The domestic market also is important. The population of 75 million and the growing economy has made Turkey second after China in terms of demand growth for natural gas and electricity, according to the Ministry of Foreign Affairs. Natural gas accounts for 35% of domestic energy demand—the largest share—with oil at 27%. Yet, with few energy resources of its own, Turkey imports 99% of the natural gas it consumes and 89% of the oil.

The gas transmission network within Turkey has been growing to include almost all provinces, to serve an increasing domestic market. BOTAŞ Petroleum Pipeline Corp., the state-owned crude-oil and natural-gas pipeline and trading company, is investing in the gas transmission network (loop lines and compression stations) and gas storage facilities to increase transmission capacity and prevent bottlenecks in the future. However, BOTAŞ continues to dominate natural gas imports and trade in Turkey.

"An effective third-party access regime, which takes into account liberalization and investment objectives, should be introduced to attract private investment to gas infrastructure," Mr. Çolakoğlu says.

Turkey had been making progress toward liberalizing its energy market. The electricity sector has largely been privatized, but legislation to open the natural gas market has stalled. Action to unbundle trading, supply, import and transmission will attract private investment, according to the International Energy Agency's 2016 review of Turkey. Opportunities could include new LNG terminals, natural-gas storages and pipelines.

"Liberalization in the natural-gas market would be key to attract foreign and local investors to the gas value chain, but no progress has been made over the recent years," Mr. Çolakoğlu says. "That said, there are many private wholesale traders, and the gas distribution business is in private hands, except for IGDAŞ, the gas distribution network of Istanbul. Gas exploration and production is also attractive to foreign investors."

The petroleum sector is also seeing important developments, such as the acquisition of Petrol Ofisi by Vitol and the construction of the Star refinery. "Despite some regulatory pressures, foreign investors continue to view the Turkish petroleum market in a favorable light," Mr. Çolakoğlu says.

Catherine Bolgar is a freelance journalist specializing in international business matters and economics.

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REVIEW & OUTLOOK

Obstruction of the Executive

Progressives have been lamenting the erosion of "democratic norms" in the Trump era, but they'd have more credibility if they didn't trample constitutional norms in their own rush to run President Trump out of town.

Democrats peddle an absurd standard of FBI accountability.

Start with Democratic Senator Mark Warner's assertion on Fox News Sunday that Attorney General Jeff Sessions should play no role in vetting the next director of the Federal Bureau of Investigation.

"I think it's inappropriate that the attorney general, who was supposed to recuse himself for anything dealing with the Russian investigation, and clearly the Russian investigation is tied into who the next FBI director is going to be because the President fired [FBI director James] Comey because of his ties to the Russian investigation," Mr. Warner said Sunday.

Fox's Chris Wallace: "You don't believe he [Mr. Sessions] could be part of this?"

Senator Warner: "I don't believe he should be part of this review process if he can have a true recusal."

Mr. Wallace didn't follow-up, so we will. Mr. Sessions has recused himself from the Russia probe, but the FBI director reports to the Attorney General on hundreds of other matters beyond that one investigation. The AG hasn't recused himself from those matters. Mr. Warner seems to be saying that Mr. Sessions's narrow recusal disqualifies him from supervising the FBI director at all.

Yet Mr. Comey's usurpation of the power of the AG and Deputy AG last year in the Hillary Clinton email probe is one reason Mr. Comey deserved to be fired. The FBI is part of the Justice Department, not an independent actor who reports on his own to Congress and the public. Mr. Warner is essentially saying that the executive branch must disable the normal rules of constitutional accountability at the Justice Department because of the Russia probe. (Richard Epstein and Ken Starr ably elaborate on this point nearby.)

The same goes for the oft-heard argument that President Trump obstructed justice by dismissing Mr. Comey. Harvard professor Laurence Tribe became the first prominent progressive to say that Mr. Trump should be impeached for this act, and he won't be the last. Mr. Tribe is offended that Mr. Trump said in an interview that he didn't like the Russia probe and that was on his mind when he fired Mr. Comey.

But this is an absurd standard. Presidents often disagree with decisions their deputies make, and sometimes they fire them for it. Are we supposed to believe that if a President opposes something an FBI director is doing, then a President can't fire him?

Mr. Tribe is establishing a standard by which an FBI director—or even an Attorney General—could never be fired. All a director would have to do is begin a single investigation that might affect the President, and then he would be liberated from supervision. This would de facto strip the President of his constitutional authority to supervise the executive branch.

As for obstruction of justice, this is defined under federal law as a specific act that interferes with a pending judicial proceeding. A President offering an opinion, however ill-advised, on a counterintelligence investigation is not obstruction. Neither are stupid tweets.

Genuine acts of obstruction include destroying evidence, intimidating witnesses, lying to the FBI or blocking investigators from doing their jobs. None of that has been alleged here, and Acting FBI director Andrew McCabe has said his agents are moving full-speed ahead with ample resources to do the job.

If Democrats believe evidence exists to impeach the President, the proper venue for offering it is the House Judiciary Committee. No doubt that's what they'll do if they retake the majority in 2018. Meantime, they shouldn't be allowed to deform the institutions of government to serve their partisan purposes. If they want to impeach Mr. Trump, they will have to follow American democratic norms.

Merkel's Election Rally

Angela Merkel is back on track to win September's German election after a string of local elections culminating this weekend delivered big gains for her party. Most Europeans will think that's a relief, but there's even better news in the weekend results.

She still lacks a platform, but a free-market party could help.

Mrs. Merkel's center-right CDU pulled off a big upset on Sunday in Germany's most populous state, North Rhein-Westphalia. The state has been governed by the center-left SPD for most of the postwar period, but the CDU took 33% of the vote compared to 31.5% for the SPD. This is a crushing defeat for the new SPD leader, Martin Schulz. Failing to catapult the center-left party to victory in his home state is a bad omen for doing so on September 24.

Along with victories in Saarland in March and Schleswig-Holstein this month, the weekend vote shows that Mrs. Merkel is overcoming the bump in support the SPD enjoyed immediately after Mr. Schulz hit the campaign trail this year. Voters still seem not to trust the center-left party. That's in part because Mr. Schulz is recycling left-wing talking points about inequality, Keynesian stimulus and social spending that sound out of touch in an economy that's been growing since 2010.

The SPD's other weakness is immigration, which was supposed to be a vulnerability for Mrs. Merkel. North Rhein-Westphalia includes Cologne, the site of a wave of sexual assaults on New Year's Eve 2016, allegedly perpetrated mainly by North African and Middle Eastern immigrants. That incident undermined support for Mrs. Merkel's open-door policy toward Middle Eastern migrants, but the SPD is failing to offer a better alternative because its own instincts are more open-door than Mrs. Merkel's. The CDU has since pulled her further to the right on migration, and voters have greater trust in the CDU's competence.

The shame is that the CDU and its Bavarian sister party, the CSU, aren't doing more to earn a mandate if she does win a fourth term. Mrs. Merkel may score points criticizing Mr. Schulz's economic agenda, but she still resists tax cuts and other reforms despite 11 years as Chancellor. She and the German economy are still living off reforms made by the last SPD Chancellor, Gerhard Schröder.

So the best news from the weekend is the revival of the centrist, free-market FDP, which won 12.5% of the vote, its best tally ever in North Rhein-Westphalia. The party is a traditional coalition ally for the CDU, and it tries to pull the bigger parties in a supply-side direction, but fell out of the Bundestag in the 2013 election.

The FDP platform this year includes a pledge to cut taxes by at least €30 billion ($32.8 billion) and sell off the government's stake in the post office and main telecom company. If the FDP's comeback this weekend presages a return to the national Parliament in the autumn, it could give Mrs. Merkel a much-needed push to reform.

European leaders are delighted not to have to worry about another populist uprising, so they don't mind if Mrs. Merkel doesn't muster new policy energy. But it would help the Continent if the German economy accelerated, and the fact that a small but growing number of German voters favor a dose of economic reform is worth cheering.

The EU Does Right by Kiev

The dream of closer integration with Europe sparked 2013's pro-democracy uprising in Ukraine. The following year Vladimir Putin launched an invasion to snuff it out. So it's heartening to see the European Union reward Kiev's Western aspirations by finally granting Ukrainians visa-free travel in the Schengen zone.

Brussels sends a message by welcoming Ukrainian travelers.

Members of the European Parliament and the European Council are expected to ratify the move Wednesday, though last week's approval by the EU Council of Ministers sealed the deal. Ukrainians can take advantage of the visa-free system beginning June 11. The move comes after years of negotiations between Kiev and Brussels. At times it seemed the EU might permanently defer or back away from its earlier visa-free commitment under Russian pressure. Their decision to stand firm sends an important message.

President Petro Poroshenko described the breakthrough as Ukraine's "final divorce from the Russian Empire" and an "exit from a more than 300-year history" of Russian domination. That's overstating things, but he's onto something. Moscow believes that Ukraine and other countries on Europe's eastern periphery by right belong in Russia's sphere. In recent years Mr. Putin has made derailing their westward integration a top strategic priority, going so far as to launch military operations in Georgia and Ukraine.

Russia's state-run propaganda reflected the Kremlin's rage at the Ukrainians' visa victory, warning that the deal would only disillusion Ukrainians about their prospects in Europe. Good luck trying to sell that line to Ukrainians eager to hop on planes to visit the rest of Europe.

The Kremlin almost always answers Kiev's diplomatic victories with military escalation, and this time is no different. Russian-backed rebels shelled an apartment block in Avdiivka in eastern Ukraine over the weekend, killing four civilians, including three women.

The use of heavy artillery is prohibited under the Minsk agreement that was supposed to de-escalate the conflict in 2015, but the Russian side treats the accord as a dead letter. Such impunity will continue as long as Ukraine lacks the defensive weapons that would allow it to impose a higher cost on Russian aggressions. For all their newfound anti-Putin bluster today, American Democrats refused to arm Ukraine when they were in power. President Trump and the Republicans can do better.

Germany and France Make the 'Safe' Choice

EYE ON EUROPE
By John Vinocur

Angela Merkel will be calling on all her gifts of serenity and reason next week when she hosts Barack Obama in Berlin Thursday morning before flying to Brussels in the afternoon to talk to Donald Trump at a NATO summit meeting.

The phrase "extraordinary juxtaposition" comes to mind. Mrs. Merkel will accompany Mr. Obama to an open-air podium at the Brandenburg Gate, where they expect thousands to attend an assembly of Germany's protestant churches. Her meeting with Mr. Trump, who insisted his presidential predecessor wiretapped his New York Trump Tower offices, comes just hours later.

The Obama event—no $400,000 speaker's fee this close to God—was described to me as having been agreed to last year. According to this account, the chancellor called Mr. Trump well in advance to explain the scheduling proximity. He was said to reply that he was cool with it. Wait until he sees the aerial photos of the Obama come-to-the-meeting throng.

The obvious takeaway: Mrs. Merkel's place as Europe's political and economic leader is incontrovertible. The chancellor's economic leverage, sobriety and willingness to talk back to Vladimir Putin have created great esteem. On the eve of the May 25 NATO summit, those elements say that a Germany signaling an intention to abandon its self-imposed taboos on full-risk combat engagement would receive a standing ovation from its American and European allies.

Now that the probability of Mrs. Merkel winning a fourth term in the Sept. 23 national election is becoming increasingly real, could there be a better time for the chancellor to demonstrate to voters that a responsible Germany's commitment to fight has unanimous allied support?

But the electorate's comfortable distance from risk, too often excused as a revulsion to Nazi horrors, remains without confrontation from Mrs. Merkel. Polls in 2015 and 2016 showed a majority of Germans turning their back on NATO's founding notion of mutual defense, unwilling to defend Poland and the Baltic states if they were attacked by Russia.

For John Kornblum, a former U.S. ambassador to Berlin, "Germany is a no-risk society. There is no interest in taking risks with the rest of Europe. Many Germans have not internalized all the values and notions of the West."

French special forces may operate inside Syria; the German military doesn't do lethal or risky.

And Mrs. Merkel? Last week, she reasserted that Germany isn't ready for combat should NATO decide to join the U.S.-led coalition now battling Islamic State. Even Berlin's contingent in Afghanistan stays well away from the shooting.

This won't charm Mr. Trump, who wants hard-edged NATO support in the Middle East. And it certainly undermines any notion that Europe, on its own and however distrusting of Mr. Trump, has the will to confront Islamic State's terrorist army.

The role of European interventionist was once left to France, which served as a goading counterexample to German inaction. But now President Emmanuel Macron, who visited Mrs. Merkel Monday and will lunch with Mr. Trump next week, offers a different take.

In recent weeks, Mr. Macron has talked of the "neoconservative tendencies" of previous governments that led to failed French interventions. He says he wants France to be "a power of equilibrium," which sounds like diminished Western alignment. "You'll see a bit of complaisance in me on Russia," Mr. Macron acknowledges, although he adds that he doesn't share Mr. Putin's "values."

A chronic reluctance to hazard a military role in the world risks instead handing the initiative to Putin.

Five months ago Mr. Macron said the West was responsible for the escalation of the Ukraine crisis. Now he is expected to retain Jean-Yves Le Drian, an interventionist under President François Hollande, as defense minister.

Mr. Macron has also confirmed, rather contradictorily, that he is "totally" in agreement in terms of "intellectual and conceptual closeness" with Dominique de Villepin, a former Gaullist prime minister who calls recent French foreign policy dangerously "Western."

That word should trouble Germans, who regard their country's *Westbindung*—or bond to the West, as articulated by Konrad Adenauer—as a national article of faith. Yet this cannot bother the Social Democrats, whose election manifesto will surely call for Germany to play a "go-between" role between the U.S. and Russia. The party already opposes increased defense spending.

And even though her strength as Europe's leader was never greater, in Mrs. Merkel's real world, consideration of a global combat role for Germany doesn't make sense to her during an election year.

She's neither a Trump nor an Obama, but the chancellor still needs to fight along her own red lines. At the very least, she must make sure through her personal credibility that Russian statements such as Foreign Minister Sergei Lavrov's claim that "the world is entering the post-Western era" are received everywhere as preposterously fake news.

When the Welders Came to Washington

By Tom Suozzi

I'm sitting in my Capitol Hill office a few weeks ago, meeting with three well-dressed, well-spoken young men who earn salaries in the high five and low six figures. You see the type a lot in Washington, but these guys are different. They're not lobbyists. They don't represent Wall Street or any Fortune 500 companies. They're welders.

America needs more of them and what they represent: good jobs at good wages. Last month I held a roundtable with suppliers in the aeronautic and defense industries, who told me they cannot find enough computer machinists. It sounds like an intimidating job, but according to these companies, U.S. trade schools and community colleges teach the specific skills needed.

Census data show that in 2015 there were 105 million full-time jobs in the U.S., about 59 million of which paid less than $50,000 a year. That's not enough to raise a family and achieve the American dream. Most people who work these jobs responded to President Trump's message of anti-globalization and "America First." Many workers without college degrees have played by the rules but still feel left behind. Globalization and technology rendered their stable, good-paying jobs obsolete.

Policy experts, economists and politicians (including me) have pushed college education as the solution. We've argued that the more you learn, the more you earn. Yet minting more college graduates in the STEM subjects—science, technology, engineering and math—is only half the story. The other half ought to be creating jobs that can be filled by graduates of high schools, trade schools, community colleges and union apprenticeships.

The welders in my office seemed almost sheepish when I asked how they came to the trade. The common theme was that they didn't do well in school. I'll tell you what I told them: They're amazing. At 22, 29 and 32 they are making more than many graduates of college or even law school. They take the work that's offered, even if it means leaving home at 4:30 a.m. and driving an hour and half. They like their jobs and are good at them.

The policy debates in Washington—over the corporate tax, the income tax, regulatory reform, infrastructure spending—should be centered on creating positions like these. Republicans and Democrats should pledge to work together to create and fill, by 2020, five million new jobs that pay at least $80,000 a year.

Not all good jobs do, or should, require a degree from college.

Americans don't need corporate-tax reform simply because companies need more money to buy back stock or increase dividends. They don't need income-tax "simplification" only because the wealthy want bigger paychecks. They don't need regulatory reform because workers and consumers have too many protections. And they don't need a massive infrastructure plan only because America's roads, bridges, sewers, water lines and mass transit systems are in disrepair.

Americans need these things because they will create jobs at home and rebuild the middle class. My welder buddies are losing faith. So are those computer machinists, and millions more like them. You can meet them at any church, bar or ball field. They have a lot to teach Washington, if only it will listen.

Mr. Suozzi, a Democrat, represents New York's Third District in the U.S. House of Representatives.

Rosenstein's Compelling Case Against Comey

By Kenneth W. Starr

The long knives are out. The ultimate doomsday scenario for a constitutional republic in peacetime—calls for impeachment of the president—has now been augmented by a growing chorus of voices demanding a far less dramatic but nonetheless profoundly serious step: appointment of a special prosecutor. Even for this less drastic move, the calls are way off base. At a minimum, the suggestion is premature.

Demands for a special prosecutor are way off base. The guardrails of our republic are secure.

The developing narrative, trumpeted on the weekend talk shows, is that Deputy Attorney General Rod Rosenstein must appoint a special prosecutor to restore his long-established reputation for integrity and professionalism. Attorney General Jeff Sessions has recused himself from the entire matter.

The basic complaint is that the newly appointed second-in-command at the Justice Department lost public confidence by crafting a three-page memorandum to the attorney general that severely criticized then-FBI Director James Comey, whom President Trump quickly fired. At least one senator has already mocked Mr. Rosenstein's May 9 memorandum as "laughable." They are wrong.

Let's see what the Rosenstein memorandum actually says. It is titled "Restoring Public Confidence in the FBI." Mr. Rosenstein rightly praises the bureau as "our nation's premier investigative agency." Mr. Rosenstein singles out Mr. Comey for high praise as "an articulate and persuasive speaker about leadership and the immutable principles of the Department of Justice." The memorandum goes on to praise the FBI chief for his long and distinguished public service.

Mr. Rosenstein then turns to the director's profound failures during his stewardship of the FBI. Above all, the new deputy attorney general states: "I cannot defend the Director's handling of the conclusion of the investigation of Secretary [Hillary] Clinton's emails."

In this Mr. Rosenstein echoes the vehement complaints by Democrats during the 2016 campaign, and indeed comments only last week by Mrs. Clinton herself. Even Republicans had raised an arched eyebrow at what the director did and when he chose to do it. The deputy attorney general goes on to express befuddlement that Mr. Comey still refuses "to accept the nearly universal judgment that he was mistaken."

The memorandum then identifies the fatal offense of any FBI leader—the usurpation of the authority of the Justice Department itself. In a power grab, Mr. Comey had announced the ultimate prosecutorial decision, namely that Mrs. Clinton wouldn't be prosecuted. The FBI director had no authority to do that.

That was not all. Mr. Comey, the memo went on, "compounded the error" by holding a press conference releasing "derogatory information about the subject of a declined criminal investigation." This was all way outside the foul lines of Justice Department professionalism.

Deputy Attorney General Rod Rosenstein testifies on Capitol Hill on March 7.

Succinctly, but with devastating effectiveness, the Rosenstein memorandum demonstrates Mr. Comey's egregious violations of long-settled Justice Department practice and policy. Mr. Rosenstein draws from the director's testimony before Congress and his unprecedented letter to Congress days before the election. He addresses Mr. Comey's argument that had he failed to insert himself once again into the presidential campaign—as voting was already under way in many states—it would have constituted "concealment."

Balderdash, the deputy attorney general concludes, albeit in more polite language. Prosecutors, to say nothing of FBI directors, are not to set out a confidence-shattering bill of particulars with respect to any potential defendant's conduct, and certainly not a presidential candidate in the heat of a national campaign.

Finally, the Rosenstein memorandum sets forth paragraph after paragraph recounting the scathing criticism of the director's woefully timed election interference. The deputy attorney general demonstrates that his own conclusions are shared by a wide range of respected former officials of the Justice Department in both Democratic and Republican administrations.

One example: President Clinton's deputy attorney general, Jamie Gorelick, is quoted as condemning Mr. Comey for having "chosen personally to restrike the balance between transparency and fairness, departing from the department's traditions."

There's nothing "laughable" about what the Rosenstein memorandum says. In setting forth undisputed and fireable offenses, the memorandum bespeaks professionalism, integrity and fidelity to Justice Department policy and practice, as befits the Harvard-trained lawyer and career prosecutor who was overwhelmingly confirmed by the Senate only weeks ago.

Rod Rosenstein is universally respected, a broad-based admiration founded on his long service and distinguished record in the Justice Department. Unless stepping aside represents the deputy attorney general's considered judgment as the right thing to do, calling in a special prosecutor now would simply cause further delay, add greater cost and disrupt the continuing work of the FBI.

The bureau's investigation into Russia's involvement in the 2016 election is continuing, under the leadership of Acting Director Andrew McCabe. In addition, the work of the bipartisan Senate Intelligence Committee is well under way. Regardless of the unhappy fate of one public servant, the guardrails of constitutional republic are in place. And with its 10,000-plus special agents, the world's most respected law-enforcement agency, the Federal Bureau of Investigation, should be encouraged to get on with the job, and a respected deputy attorney general permitted—with accountability to Congress—to come to his considered judgment. That's precisely the kind of structural protection that the Founders had in mind more than two centuries ago.

Mr. Starr served as a federal judge, solicitor general and Whitewater independent counsel.

Time for a Nuclear Intervention With Japan

By James M. Acton

In international friendships as in personal ones, interventions are sometimes necessary to prevent self-destructive behavior. Japan's nuclear policy, which calls for the U.S. to help Tokyo help itself before it's too late, is a case in point.

Japan already has enough plutonium to build at least 1,300 nuclear warheads. Officially, this material is to be used to fuel nuclear reactors, but almost all of Japan's reactors have been offline since the 2011 Fukushima accident, and efforts to restart them are moving at a glacial pace. As a result, Japan has almost no capacity to consume plutonium.

Yet the country's stockpile is poised to grow further still. Japanese leaders are under intense domestic pressure to restart the Rokkasho Nuclear Fuel Reprocessing Facility, which extracts plutonium from spent fuel. If the plant isn't reopened soon, Rokkasho village, in the far north of Japan's main island of Honshu, could demand the removal of the thousands of tons of spent nuclear fuel already there waiting to be processed.

A plutonium build-up contravenes Japan's nonproliferation policies. Prime Minister Shinzo Abe recognizes that such a stockpile risks being stolen by terrorists. It also stirs tensions with China and sets a bad precedent for less trustworthy states seeking to accumulate weapons-usable nuclear material of their own.

Fortunately, the U.S. has the means to head off this challenge. But the Trump administration has only a fleeting opportunity to act.

Because Japan originally acquired most of its nuclear technology from the U.S., Tokyo agreed not to extract plutonium from spent fuel (a process known as reprocessing) without Washington's consent. After years of negotiation, the U.S. finally granted Japan blanket permission to reprocess under a nuclear cooperation agreement that entered into force in July 1988.

This agreement stipulated that by July 2018 the U.S and Japan must have a new agreement in place or allow the existing one to remain in force. Given how favorable the 1988 agreement was to Japan, Tokyo is desperate to avoid a renegotiation.

The Trump administration should use its leverage to address Japan's growing piles of unused plutonium.

This means the U.S. has real leverage that Washington can use to push a concrete, three-step plan for preventing the build-up of more plutonium.

First, Japan should agree not to operate its reprocessing plant until a separate facility to make reactor fuel from plutonium is operational. Without this fuel fabrication plant (which is already far behind schedule), Japan has no way of peacefully using any of the plutonium it produces.

Second, Japan should agree to operate its reprocessing plant in ways that ensure the supply of plutonium doesn't outpace demand. The plant is designed to produce far more plutonium than Japan can plausibly use—about eight metric tons a year, almost as much as the 11 metric tons already in Japan's stockpile. Tokyo should therefore commit to operating the plant below its design capacity to prevent any further build-up.

Third, Japan should agree to a time limit, perhaps of five years, between the extraction of new plutonium and its use. Japan already has a policy against producing excess plutonium. This policy needs strengthening because Tokyo doesn't regard plutonium to be in excess if there is any plan to use it, no matter how far in the future.

There is a serious risk that bureaucratic neglect could deprive the U.S. of its leverage. July 2018 is far beyond Washington's political horizon, yet in diplomatic terms the issue is already urgent.

Negotiations over nuclear cooperation are extremely complex and generally take years. U.S. State Department officials who would be essential to making and executing policy—including the undersecretary for arms control and international security, and the assistant secretary for international security and nonproliferation—have yet to be nominated, let alone confirmed.

If the Trump administration doesn't act quickly, there will be little choice but to acquiesce to the unconditional extension of the existing agreement. That would mean the loss of a once-in-a-generation opportunity to improve Japan's nuclear policies.

Mr. Acton is co-director of the Nuclear Policy Program and a senior fellow at the Carnegie Endowment for International Peace.

The Trump Trade Team's Vocabulary Problem

By Chad P. Bown And Alan O. Sykes

President Trump finished his 100th day in office much as he started his first—with a rally denouncing trade agreements that echoed his inaugural-address reference to American "carnage." He also announced a new executive order targeting the World Trade Organization.

Mr. Trump's trade policy thus far features clear disdain for the multilateral, rules-based WTO. He has indicated that any trade deals negotiated by his administration will be country-by-country. Both history and economics suggest this strategy is doomed to fail.

In April, U.S. Commerce Secretary Wilbur Ross put forward the clearest articulation to date of the administration's anti-WTO sentiment: "If there's a country that has relatively few barriers against us, we should have relatively few against them. The only problem is, the World Trade Organization has what's called a 'most-favored-nation clause,' meaning that of all the countries with whom we do not have a free-trade agreement, we must charge the same tariff on the same item to each of those countries as we charge to the others. So, that's a significant impediment toward getting to anything like a reciprocal agreement."

This statement reflects a misunderstanding of the MFN clause. American negotiators adopted MFN with the Reciprocal Trade Agreements Act of 1934, as they sought a way out of the Great Depression. Historically, attempts by European countries to negotiate and sustain trade deals without MFN had largely failed.

To illustrate why, consider a simple hypothetical. Suppose that before any trade agreements the U.S., Japan and China each apply import tariffs of 25%. Then the U.S. sits down with Japan and negotiates a deal to cut tariffs to 10%, but only with each other. In other words, there is no MFN clause requiring U.S. or Japanese negotiators to give that same 10% rate to China.

Now suppose Japan negotiates a second deal, with China. They reach an agreement lowering tariffs to 5%, again only with each other. Clearly the U.S. loses. American companies will be unable to compete with Chinese exporters in Japan's market. The U.S. therefore gains little in exchange for reducing tariffs on Japanese goods.

Without MFN, policy makers can't prevent trading partners from going out and striking better deals with competitors. With MFN, if Japan and China agree to a subsequent deal that gives China better terms, Japan has to give those same terms to the U.S.

But what is to prevent Mr. Trump—after he strikes the 10% deal with Japan—from subsequently offering a better deal to China? Japan would anticipate this "America First" move from the beginning. Without MFN to protect its exports, Japan wouldn't sign the first U.S. deal.

It's not clear that officials understand the meaning of 'reciprocity' and 'most favored nation.'

In short, the most-favored-nation clause provides an incentive for countries to sign long-term deals. It protects a country's exporters from losing out when trading partners subsequently negotiate deals with other countries. Before MFN was introduced in 1934, some trade negotiations went nowhere. Others concluded with deals that ultimately unraveled.

Trump administration officials have made frequent appeals to the necessity of "reciprocal agreements." Mr. Trump himself said recently that trade deals "have to be fair, and somewhat reciprocal, if not fully reciprocal."

But the principle of reciprocity doesn't mandate that countries must respond to a 10% U.S. import tariff on cars with 10% auto tariffs of their own. That would be what some have called "full reciprocity." What really matters to economists, according to Columbia University's Jagdish Bhagwati, is "first-difference reciprocity," or matching concessions from initial conditions.

Think of it as reciprocity at the margins. If the U.S. wants China to reduce its auto tariff to 10%, negotiators must offer something of value, such as a reduction to the current 37.5% U.S. tariff on footwear. The deal is attractive and sustainable if both sides can expand exports commensurately.

As a historical note, not everyone in President Franklin Roosevelt's administration was sold on MFN and reciprocity. The 1930s also featured a boisterous White House debate, with significant resistance to the idea coming from presidential adviser George N. Peek and Agriculture Secretary H.A. Wallace. Luckily, Secretary of State Cordell Hull managed to win Roosevelt over.

The result of U.S. commitment to MFN and reciprocity has been an open, nondiscriminatory and rules-based trading system that has served the American and global economy well for decades.

Mr. Bown is a senior fellow at the Peterson Institute for International Economics. Mr. Sykes is a professor at Stanford Law School.

Notable & Quotable: Comey

From "Attention, liberals: Comey deserved to be fired, and the Constitution is just fine" by Richard Epstein, Vox.com, May 11:

The common response to this line of attack is that criticisms of Comey's conduct in the Clinton investigation had nothing to do with the president's decision. . . . But it is also the case that Comey has made no effort to distance himself from this earlier conduct, and indeed affirmed in his Senate testimony of May 3, 2017, that with respect to his October 28 letter on Clinton, even though the episode had made him "mildly nauseous," he would do it all over again.

The past events thus are linked closely to the future events. If the mistakes Comey made could have justified his firing in either 2015 or 2016, the passage of time does not cure those improper decisions.

It requires contortions to convert an action that has independent justification into one that prompts talk of obstruction of justice and impeachment. In effect, one difficulty with that extravagant assertion is that it makes Comey de facto immovable from office so long as he continues to conduct this investigation. That cannot be the proper analysis because Comey has many other administrative responsibilities, including maintaining morale inside the office. No one should be able to guarantee his term in office by conducting a nonstop investigation of the president.

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HEALTH

The Riddle of Steve Kerr's Back

The Golden State Warriors coach's herniated disk highlights question of whether to get surgery or try rehab

BY RACHEL BACHMAN AND BEN COHEN

STEVE KERR WAS A FIT 49-year-old former professional athlete who regularly golfed and surfed. Then his back started bothering him.

The Golden State Warriors had recently won the 2015 NBA championship when their coach found himself in excruciating pain. It became so bad that Mr. Kerr struggled to walk. He decided to undergo surgery to repair a ruptured disk. Now he regrets it.

Mr. Kerr's procedure, the most routine surgery for back patients, led to a rare complication: a spinal fluid leak that continues to affect him nearly two years later and has sidelined him during the NBA playoffs. It remains possible the coach of the best team in basketball won't return this season.

"If you have a back problem, stay away from surgery," Mr. Kerr, now 51, said to reporters in April. "I can say that from the bottom of my heart. Rehab, rehab, rehab."

His comments warning against surgery quickly became the talk of operating rooms, where the procedure has helped countless patients. "It's like a knife to my heart," said Hyun Bae, a professor of orthopedic surgery at Cedars-Sinai Medical Center in Los Angeles. "When you look at the data, it clearly shows the patients who had surgery had a faster and more reliable recovery."

As Mr. Kerr struggles to recover, millions of others face the same question he did: When is the right time for elective back surgery?

Nearly 30% of all U.S. adults each year suffer from back pain, according to data from the **Centers for Disease Control and Prevention**. Mr. Kerr's case has puzzled the medical community. Doctors say his initial surgery—microdiskectomy, in which herniated-disk material that is pressing on a nerve or the spinal cord is removed—is the safest and most effective operative procedure for patients with back problems. Research has shown the procedure is more successful than nonsurgical treatment for patients whose pain has persisted for several months.

Golden State coach Steve Kerr is out indefinitely from the NBA playoffs after his symptoms from a complication during his 2015 back surgery worsened in recent months. Many with back pain face the question of whether to get surgery.

There may soon be a better way to prescribe treatments. A predictive calculator for outcomes based on an array of patient data is in the testing stages, according to leaders of the NeuroPoint Alliance, a nonprofit data-gathering association created by the **American Association of Neurological Surgeons**. NeuroPoint's goal is to bring the calculator into wider use to better help patients decide whether and when to have surgery.

Back pain is among the most common—and miserable—types of pain because it can make the most basic tasks, like sitting down, uncomfortable and often has no clear cause. Back surgeries typically are performed in response to chronic pain, defined as persisting for more than 12 weeks, after conservative measures have failed. Subacute pain lasting fewer than 12 weeks is best treated with natural and psychological therapies, according to new guidelines.

Most ruptured disks heal on their own eventually, but meanwhile can cause debilitating pain in the legs lasting months or years. Many doctors recommend surgery to end the pain.

The Spine Patient Outcomes Research Trial (SPORT) study compared surgical and nonsurgical treatments for disk herniation among roughly 500 patients across 11 states and tracked their results through a randomized trial. It sorted good candidates for back surgery into two groups: one that was assigned operative treatment and one that rehabbed with physical therapy, anti-inflammatory drugs and other methods.

Patients who underwent microdiskectomy got better faster. The research also found that rehabbing first didn't close the window for successful surgery. Almost half of the patients assigned to the nonoperative group still opted for surgery within eight years.

"It made everybody step back and try everything before routinely offering diskectomy," said Heidi Prather, a professor of physical medicine and rehabilitation at the **Washington University School of Medicine** in St. Louis.

Mr. Kerr seemed like an excellent candidate for surgery, and he has said in interviews that several of his friends had benefited immediately from the same, common procedure. (He couldn't be reached for comment.) But his own back surgery, by a doctor he hasn't named publicly, resulted in a different kind of pain. A spinal fluid leak from a dural tear during the procedure left him with lingering complications like headaches and other discomfort that have required secondary operations and upended his life.

Less than 5% of microdiskectomies result in spinal fluid leaks. Even those complications can be remedied quickly. Patients like Mr. Kerr who suffer from complications for years after surgery are highly unusual.

"I don't want to say it's one in a million, but you don't really hear about this," said Wellington Hsu, a **Northwestern University** professor of orthopedic surgery.

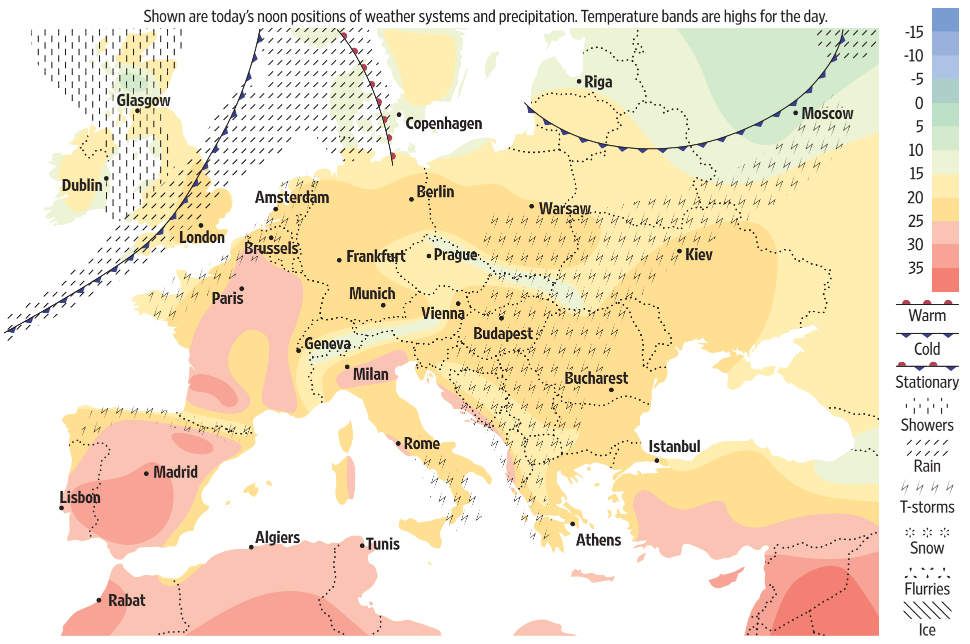
Anthony Asher, a neurosurgeon with Carolina Neurosurgery & Spine Associates in Charlotte, N.C., is the director of the Quality Outcomes Database maintained by the NeuroPoint Alliance. The six-year-old database contains detailed information from about 40,000 spine-surgery patients and how they have fared as long as two years after the procedure.

Earlier this year, doctors began using the database to calculate predicted outcomes for elective spine surgery. The calculator uses more than 30 patient- and surgery-specific variables, ranging from a patient's age and occupation to mental-health status. The calculator then predicts the likelihood of a patient's desired outcome—being able to return to manual-labor work, for instance—versus the likelihood of negative outcomes such as complications or long-term disability.

Weather

AccuWeather.com

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.

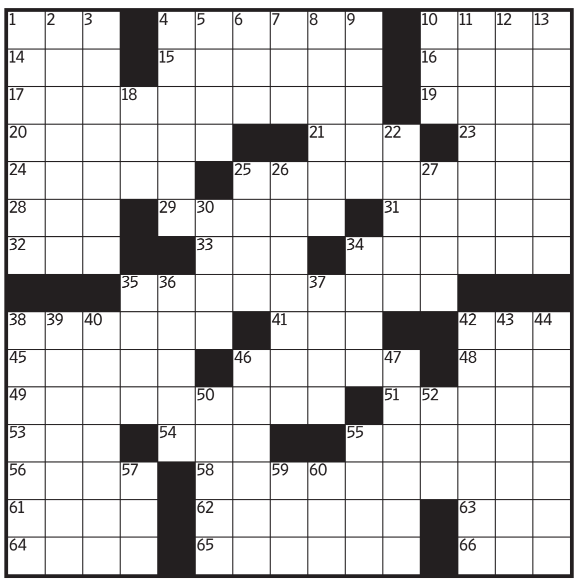


Global Forecasts

s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Amsterdam	23	15	pc	24	15	pc
Anchorage	15	6	c	13	6	c
Athens	25	18	pc	22	17	pc
Atlanta	32	19	s	31	20	s
Baghdad	40	22	s	40	23	s
Baltimore	26	15	s	32	20	s
Bangkok	32	26	t	30	26	t
Beijing	32	16	s	34	17	s
Berlin	19	10	pc	23	13	pc
Bogota	19	10	c	19	10	t
Boise	12	3	r	12	4	r
Boston	23	15	s	27	19	pc
Brussels	23	15	pc	25	16	pc
Buenos Aires	18	10	pc	19	13	s
Cairo	35	21	s	35	22	s
Calgary	12	2	sh	10	2	pc
Caracas	32	26	pc	32	26	pc
Charlotte	31	18	s	32	19	s
Chicago	30	20	s	29	19	pc
Dallas	31	21	pc	34	23	t
Denver	23	5	t	19	3	pc
Detroit	29	18	pc	30	20	pc
Dubai	37	27	s	38	28	s
Dublin	17	7	t	16	5	sh
Edinburgh	18	7	sh	16	7	c
Frankfurt	24	12	pc	25	14	pc
Geneva	24	12	pc	25	13	pc
Hanoi	32	24	pc	31	23	c
Havana	29	21	sh	31	21	s
Hong Kong	28	25	sh	29	25	sh
Honolulu	29	22	sh	29	22	pc
Houston	30	22	pc	29	24	pc
Istanbul	22	14	pc	20	13	c
Jakarta	34	25	pc	33	25	pc
Johannesburg	18	4	s	18	4	s
Kansas City	29	19	pc	27	15	t
Las Vegas	26	16	pc	26	14	s
Lima	25	19	c	24	18	pc
London	22	13	c	18	10	r
Los Angeles	21	13	pc	21	13	pc
Madrid	30	15	pc	30	14	pc
Manila	36	28	t	35	27	t
Melbourne	18	11	c	17	11	sh
Mexico City	29	14	pc	29	14	pc
Miami	30	25	sh	30	25	pc
Milan	27	16	pc	27	15	pc
Minneapolis	31	19	t	23	11	r
Monterrey	37	19	pc	38	20	pc
Montreal	21	11	pc	27	17	pc
Moscow	9	2	r	10	5	c
Mumbai	34	27	pc	33	27	pc
Nashville	33	20	s	32	22	pc
New Delhi	43	28	pc	42	29	pc
New Orleans	30	21	pc	29	21	pc
New York City	25	16	s	30	21	s
Omaha	32	17	t	22	12	t
Orlando	32	20	s	32	19	s
Ottawa	21	10	sh	28	16	pc
Paris	25	14	pc	27	14	pc
Philadelphia	26	16	s	32	21	s
Phoenix	26	17	pc	30	19	s
Pittsburgh	27	18	s	31	20	pc
Port-au-Prince	30	24	t	29	24	r
Portland, Ore.	13	9	sh	16	8	pc
Rio de Janeiro	25	20	pc	25	19	c
Riyadh	41	25	s	41	27	pc
Rome	26	15	s	26	13	s
Salt Lake City	19	5	pc	10	4	sh
San Diego	18	15	pc	20	15	pc
San Francisco	17	10	c	19	10	s
San Juan	31	26	sh	31	26	pc
Santiago	17	6	pc	14	6	r
Santo Domingo	29	23	t	30	23	t
Sao Paulo	20	14	c	20	15	c
Seattle	13	8	sh	16	9	pc
Seoul	23	15	pc	25	16	s
Shanghai	24	15	pc	27	17	s
Singapore	31	27	c	31	27	c
Stockholm	14	5	c	14	9	r
Sydney	20	11	s	21	14	pc
Taipei	25	21	r	27	22	pc
Tehran	32	18	s	32	18	s
Tel Aviv	28	19	s	28	20	s
Tokyo	22	15	c	21	16	pc
Toronto	18	10	pc	29	17	s
Vancouver	13	7	sh	16	10	pc
Washington, D.C.	27	18	s	34	23	s
Zurich	22	10	pc	25	13	pc

The WSJ Daily Crossword | Edited by Mike Shenk



PLACEHOLDERS | By Dan Fisher

Across

1 Ill-mannered fellow
4 Strong cardboard
10 Island east of Java
14 Tad Lincoln's father
15 More precious
16 Shipboard lockup
17 *German forest's upper limit
19 "You know you want to!"
20 Sun Bowl venue
21 Chick container
23 Lennon's love
24 Takes a breather
25 *Latvian colonel's superior
28 Direction opposite WSW
29 Needed a doctor
31 Code name?
32 King, in Castile
33 Bolt attachment
34 Coercion
35 Densely populated area, and a hint to the capitals in the starred answers
38 Buddies, in Barcelona
41 Forever, seemingly
42 Luftwaffe's U.K. foes
45 Mortise's partner
46 Titled ladies
48 Flock female
49 *Italian constellation in the night sky
51 Not live
53 Myrna of movies
54 Froot Loops mascot toucan
55 Nancy in the House
56 Two-tone whale
58 *French analogy
61 Surgery souvenir
62 Relaxed
63 CPR pro
64 Bollywood gown
65 Attended
66 ___ volente (God willing)

Down

1 Reception hire
2 Chisholm Trail's Kansas terminus
3 Heavyweight legend Jack
4 Black Sea port
5 Start for space or dynamic
6 Penn of "Designated Survivor"
7 One more than bi-
8 Virgil work
9 Duane Allman's brother
10 "Doctor Who" airer
11 Large wardrobe
12 She has her pride
13 Doesn't acknowledge
18 Item used at home
22 Full range
25 In need of cheering up
26 Unoriginal work
27 Character found in a 2016 sequel
30 Taverns
34 Sup in style
35 Lab assistant of film
36 Cake and ice cream, to a dieter
37 Unresponsive state
38 Befuddled
39 Spanish island, to Spaniards
40 Organization that holds a Memorial Day weekend auto race
42 Lay down
43 "Great!"
44 Was a tributary of
46 Punish for insubordination, perhaps
47 iPod output
50 Colorful parrot
52 Heavyweight legend Muhammad
55 Historian's concern
57 "Entourage" agent
59 Bathroom sign
60 Unconvincing

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

Previous Puzzle's Solution

TECHNOLOGY: GLOBAL FIRMS CALL ON CHINA TO DELAY CYBERSECURITY LAW B4

Euro vs. Dollar 1.0977 ▲ 0.41% | FTSE 100 7454.37 ▲ 0.26% | Gold 1228.60 ▲ 0.20% | WTI crude 48.85 ▲ 2.11% | German Bund yield 0.422% | 10-Year Treasury yield 2.338%

Uber Suffers Another Legal Blow

By Greg Bensinger
And Jack Nicas

A federal judge ordered **Uber Technologies** Inc. to return 14,000 driverless-car files allegedly stolen from **Google** parent **Alphabet** Inc. and barred a key executive for the ride-hailing firm from working on certain autonomous vehicle technology.

The latest blow to Uber comes as U.S. District Court Judge William Alsup unsealed a preliminary injunction on Monday against the San Francisco startup, after he denied Uber's request for arbitration last week and sent the case to trial.

The judge's injunction stopped short of forcing Uber to shut down its self-driving car efforts, but it gave Alphabet's driverless-car unit **Waymo** extensive new power to turn up evidence in the case. It also formally barred Anthony Levandowski—the Waymo-turned-Uber executive who allegedly stole the files—from working on certain technologies. Uber already had said it removed Mr. Levandowski from leading its driverless-car program.

Judge Alsup said he reached the ruling in response to Waymo's strong case so far. "The bottom line is the evidence indicates that Uber hired Levandowski even though it knew or should have known that he possessed over 14,000 confidential Waymo files likely containing Waymo's intellectual property," the judge wrote. Evidence also suggests that information from the files "has seeped into Uber's own" driverless-car technology, he wrote.

ERIC RISBERG/ASSOCIATED PRESS

Anthony Levandowski is former head of Uber's driverless-car program.

Mr. Levandowski didn't respond to a request for comment. He joined Uber last year as part of the company's $680 million purchase of his Otto self-driving truck outfit.

Mr. Levandowski and Uber are facing a possible criminal probe after the judge last week referred the case to Justice Department officials for review.

Uber has denied any wrongdoing and plans to contest the allegations in court. "We are pleased with the court's ruling that Uber can continue building and utilizing all of its self-driving technology," a spokeswoman said in a statement. The company will "demonstrate that our technology has been built independently from the ground up."

The partnership and high-stakes court battle highlight the urgency among Silicon Valley firms to quickly roll out self-driving vehicles, which are expected to eventually unseat traditional human-driven autos. On Sunday, Waymo said it was partnering with ride-hailing startup **Lyft** Inc., a top Uber rival, on self-driving technology. A person familiar with the deal said the tie-up would help Waymo expand tests of its driverless cars and could eventually result in Waymo's vehicles being avail-

Please see FIGHT page B4

Roadway Operator In Bid For Rival

Italian infrastructure group **Atlantia** SpA said Monday it launched a cash-and-share offer for **Abertis Infraestructuras** SA, in a transaction valuing the Spanish company at €16.3 billion ($17.8 billion) that could create the world's biggest toll-road operator.

By Giovanni Legorano
in Rome
and Jeannette Neumann
in Madrid

Atlantia's bid represents the second attempt to combine the two companies. More than 10 years ago, they came close to creating a group that would have had a market capitalization of €25 billion.

The deal ultimately collapsed, with the companies citing blocks imposed by the Italian government and transportation regulator as a reason for scrapping the merger. One of the reasons behind Italy's political opposition to the previous deal, according to a person familiar with the new transaction, was that Abertis was larger than its Italian rival.

The balance of power has now reversed: Atlantia has a market capitalization of €20.5 billion, while Abertis is valued at €16.2 billion.

However, the deal isn't guaranteed to close this time, either. Barcelona-based Abertis said Monday that the company's board wouldn't weigh in on the deal until it was legally required to do so. A spokeswoman said that time frame was within six months.

Abertis's single-largest investor is Spain's Criteria Caixa SAU, which owns 22.3% of the infrastructure company.

A spokesman for Criteria Caixa said on Monday that the company would evaluate "without haste" what it called "the friendly offer."

A Spanish banking foundation owns 100% of Criteria Caixa, which in turn holds stakes in industrial investments and a majority stake in CaixaBank SA, one of Spain's largest lenders.

Atlantia said the deal would create the largest global toll-road operator, managing a road network of 14,095 kilometers, or about 8,740 miles, in 19 countries.

The deal, should it close, would diversify Atlantia's geographical footprint. While the Italian company is now larger than Abertis, Atlantia's assets are concentrated in its domestic market. For Abertis, the deal would extend the average lifespan of its toll-road concessions, which has fallen in recent years, analysts at Olivetree Financial said in a research report.

NOAH SHELDON

Architecture studio LOT-EK used containers at Qiyun Mountain Camp, a 60-acre extreme-sports park in Huangshan, China, scheduled to open this year.

Containers Find Out-of-the-Box Second Lives

Shipping containers—the workhorses of freight transportation—are popping up in restaurants, homes and pools

By Costas Paris

PLAINVIEW, N.Y.—It looks more like a warehouse than a Long Island burger joint, but the Bareburger restaurant on a busy intersection here is attracting patrons for its food—and its architecture.

The restaurant, which opened last year, is made of 11 truck-size containers previously used by Japanese shipping company NYK Line. Bareburger Group LLC worked with **SG Blocks** Inc., which specializes in container-based buildings and has designed similar structures for Starbucks Corp., Yum Brands Inc.'s Taco Bell restaurants and Lacoste stores.

"It came naturally," says John Simeonidis Jr., Bareburger's co-founder and chief design officer. "We use reclaimed wood for floors and tables, recycled vinyl for seats and so on. So we said, 'let's think outside the box for the structure' and ended up building a metal box that looks really cool."

Shipping containers, typically 20 or 40 feet long, are the workhorses of freight transportation, used to move most of the world's manufactured goods. Shipping companies pay about $2,000 to $3,000 for each one, with an average container lasting 18 years before it is retired from sea.

More of these used containers are finding second lives as building materials, popping up in restaurant chains like Bareburger as well as private homes, theme parks, swimming pools and prison cells.

Although such structures are becoming more popular for their trendy looks, they aren't about to replace traditional buildings, construction executives say.

Containers must be cut when stacked to widen the living space or to create windows and doors, and need to be insulated from the inside and reinforced with steel beams in multistory structures. And after they are put together, conversions or expansions are difficult and expensive.

About 1 million containers a year are sold or leased for inland use, shipping executives say. Maersk Line, a unit of Danish conglomerate A.P. Moller Maersk A/S with 2.7 million containers in use world-wide, sold 70,000 of them for $1,000 to $1,300 apiece last year, said Rune Sorensen, the unit's head of container sales.

That was double the amount it sold in 2015, he said, and he expects the growth to continue in the coming years. The market, he added, "is still discovering itself."

In Brooklyn's Williamsburg neighborhood, architecture

Please see USED page B2

STREETWISE | By James Mackintosh

A Lack of Fear Is the Big Worry

The only thing we have to fear is fear itself, said Franklin D. Roosevelt. The wartime president had enough to worry about without the VIX. The CBOE Volatility Index's superlow levels are prompting many to invert his famous line: Some investors now fear that there isn't enough fear.

Investor complacency is a sensible thing to be concerned about after a long bull market. But we should be clear about what the VIX is telling us.

The VIX is a measure of implied volatility derived from S&P 500 options prices. It has gained appeal because it is known as Wall Street's "fear gauge" and for good reason: It typically goes up when the market goes down.

The strongest message from a low VIX is merely that the market has gone up a lot. Last week, the VIX hit the lowest level since 1993, twice closing below 10.

Contrarians like to think the real message is that the market's more likely to go down. That isn't obviously the case. On the previous occasions the VIX closed below 10—in 1993, 1994, 2006 and 2007—the S&P went up over the next 30 days. This is a tiny sample, but on average, investors have made money over the next 30 days whenever the VIX was below 50.

The VIX seems to have done roughly what it's supposed to do, with a low VIX anticipating that stocks won't swing around much in the next 30 days and a high VIX predicting that they will. When the VIX is low, you probably won't win or lose much in the market. When it's high, you're more likely to win or lose a lot.

There are two reasons to be more concerned about the VIX now than in previous low VIX periods. First, a lot of investors seem to be betting on volatility staying low, not least via the previously obscure VelocityShares Daily Inverse VIX Short Term ETN, an exchange-traded note with the "XIV" ticker.

Betting against volatility

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IPOs Like Amazon's Are Long Gone

By Ben Eisen

When **Amazon.com** Inc. went public 20 years ago, it had a market capitalization of $660 million.

Then a fledgling three-year-old internet company, it has since grown into a $460 billion e-commerce giant. For investors who got in at the start, the stock price has increased nearly 50,000%. In other words, $100 invested at the beginning would be worth $49,101.96 today.

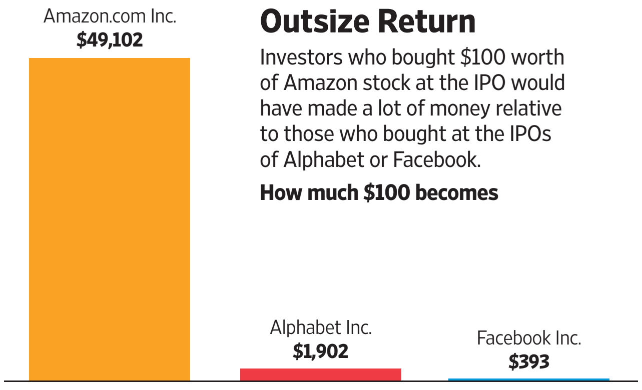
Sure, it would have been difficult to actually capture those returns, but these days, there is even less of an opportunity to try. Startups are typically coming to market much later than they used to—if they come to market at all—and with richer valuations.

That deprives individual investors of the potential to get in at the beginning, ride a startup higher and score huge returns.

Today, if investors want returns like that, they would likely need to get shares of startups in the private markets long before they consider going public. But private markets aren't readily available to most mom-and-pop investors.

"Investors who do not have access to venture capital are missing substantial gains," said Michael Mauboussin, head of global financial strategies at Credit Suisse Group AG, in a March report called

Please see AMAZON page B2



Source: FactSet

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Boeing Selects St. Louis For Potential Jet Plant

By Doug Cameron

Boeing Co. said Monday it would assemble new **U.S. Air Force** trainer jets at its main military aircraft facilities in Missouri if it wins a three-way contest for a program estimated by analysts to be worth about $16 billion.

The move sets up the St. Louis plant in competition with facilities in Alabama and South Carolina run or planned by Boeing's rivals in bidding to build an initial 350 T-X jets.

The Boeing offering is the only "homegrown" entrant from prime defense contractors, with **Lockheed Martin** Corp. offering a version of a plane co-developed with **Korea Aerospace Industries** Ltd., while Italy's **Leonardo** SpA entered its own widely used trainer after dropping a planned joint bid with **Raytheon** Co.

The Pentagon requires the winner to assemble planes in the U.S., and Boeing said its plan would support about 1,800 jobs, while Lockheed said it would add 200 new positions and Leonardo pledged to create 750.

Boeing already builds its F-15 jet fighter and the F/A-18 aircraft widely used by the U.S. Navy in St. Louis, and the T-X would help maintain experienced workers at the plant as orders become scarce.

BUSINESS & FINANCE

A Toshiba Sale Hits Resistance

By Takashi Mochizuki And Ted Greenwald

TORU HANAI/REUTERS

CEO Satoshi Tsunakawa rejects opposition to Toshiba's plan to sell its memory-chip business.

Toshiba Corp. and **Western Digital** Corp. ratcheted up a clash over their chip-making joint venture, with the fate of the Japanese industrial conglomerate lying in the balance.

Toshiba's chief executive, Satoshi Tsunakawa, told a news conference in Tokyo on Monday that his company is entitled to sell its memory-chip business, including a stake in a joint venture with Western Digital, even if the U.S. company doesn't want that.

"Western Digital has no right to interfere in the process," Mr. Tsunakawa said.

He was reacting hours after Western Digital said it was filing a request for binding arbitration to prevent the sale from going forward.

For Toshiba, a smooth sale of the chip business is a must to remain alive. It has said it plans to use the proceeds of the sale, which analysts have said could be around $15 billion to $20 billion, to make up for huge losses at its U.S. nuclear affiliate, Westinghouse Electric Co., which filed for Chapter 11 bankruptcy protection in March.

Toshiba has threatened to block Western Digital employees from accessing the joint venture's computer systems, a step a spokeswoman said could happen as soon as Tuesday. "We must prevent the leakage of information as much as possible," Mr. Tsunakawa said.

Western Digital acquired the stake in the Toshiba venture when it bought **SanDisk** Corp. last year, and it accuses the Japanese company of riding roughshod over agreements governing the venture. Western Digital's chief executive, Steve Milligan, said: "Toshiba's attempt to spin out its joint-venture interests into an affiliate and then sell that affiliate is explicitly prohibited without SanDisk's consent."

A panel in San Francisco will hear the arbitration under the rules of the International Chamber of Commerce, as required by the joint-venture agreements, Western Digital said. The arbitration would kick off a legal process that could take more than a year.

Mr. Tsunakawa expressed confidence that he could keep negotiating with interested parties over the chip-business sale. Toshiba is hoping to pick up a buyer by the end of June to strengthen its balance sheet as soon as possible.

On Monday, Toshiba said it expects to book a net loss of ¥950 billion ($8.4 billion) for the fiscal year ended March 31 due to losses stemming from the Westinghouse Chapter 11 filing, similar to an earlier projection. Mr. Tsunakawa said Toshiba is still working to win approval for the results from its auditor, which has refused to sign off on Toshiba's financial statements this year owing to disputes over Westinghouse's finances, among other issues.

Several companies are bidding for the Toshiba semiconductor unit, including Western Digital, as well as **Foxconn Technology** Group of Taiwan, **SK Hynix** Inc. of South Korea, and U.S.-based **Broadcom** Ltd.

Asked whether Toshiba is considering filing for reorganization under Japan's version of Chapter 11, Mr. Tsunakawa said that because it expects a successful chip-unit sale, it isn't. "The process will take place as we have planned, so there is no need for us to come up with a Plan B," he said.

BRYAN R. SMITH/AGENCE FRANCE-PRESSE/GETTY IMAGES

Many investors seem to be betting on stock volatility staying low.

STREET

Continued from the prior page
is often compared to picking up pennies in front of a steamroller. But in this case, investors found fat wads of cash, not pennies. XIV shares are up 71% this year alone.

No one knows when the steamroller will run over XIV shareholders, but we can be sure bad stuff will happen in markets again one day. When it does, XIV shares will surely be flattened. They fell 54% in August 2015 amid the China devaluation scare.

Tim Edwards, senior director of index investment strategy at S&P Global, calculates that more money in the major volatility ETFs is betting on volatility rising than falling, even when short positions are included. But clearly more investors than usual are ready to dive in front of the steamroller.

Second, the VIX might be sounding a longer-term warning. Its previous forays below 10 look suspicious, with the 1993 and early 1994 lows followed within months by a near-10% tumble in the S&P as the **Federal Reserve** got aggressive on rates. The low VIX at the end of 2006 and start of 2007 preceded the subprime collapse.

Wider measures of sentiment show chief executives and consumers about as confident as they've been since well before the 2007-2008 crisis. Investor surveys are more subdued, with few suggesting the euphoria one might detect based on the current levels of the VIX, which recently was around 10.5.

Almost everything is expensive, but when and why will that change?

One reason would be if central banks pull support. However, as J.P. Morgan chief market strategist Jan Loeys puts it, "hyper-active central banks, that arguably learned their lessons during the crisis, are faster than ever to douse any emerging brushfire with extra liquidity."

Another would be the fear of politics. Commentators lament that markets are ignoring supposedly obvious political risks. But politics has turned out to be a lot less scary than it first seemed to investors, whether in France or Washington.

Then there's the economy. Hopes of a global rebound are helping sustain markets and keep volatility low, but some disappointing U.S. data and a credit clampdown in China might knock confidence in world growth if they continue.

Markets are expensive, and risks are still easy to enumerate. But the VIX is probably right to think they're unlikely to materialize in the next 30 days.

AMAZON

Continued from the prior page
"The Incredible Shrinking Universe of Stocks."

Mr. Mauboussin illustrates this point by comparing Amazon with two other tech giants, **Alphabet** Inc. and **Facebook** Inc.

Alphabet went public in 2004, when it was still called **Google**. The company was six years old at the time, and it had a market capitalization of nearly $20 billion when it began trading, which was larger than Amazon's. Investors who bought $100 of the Class A shares at the time would have $1,902.06 now, a respectable return, though not as good as getting in on the ground floor at Amazon.

Facebook had its IPO in 2012. It was already eight years old, and it had a market value of $92 billion (for reference, Amazon's market value at the time of Facebook's offering was $96 billion). For those who got in at the beginning, $100 would have turned into $303.21. Amazon and Facebook are similarly sized these days, but their post-IPO returns have been quite different.

Startups today are typically coming to market much later than they used to.

Facebook's returns, of course, could look like Amazon's in 15 years' time, once it has been a public stock for a similar period. But its market cap would be so big it is hard to even conceptualize.

"It is virtually impossible for Facebook investors to earn the same total shareholder return as Amazon.com shareholders did over 20 years," Mr. Mauboussin writes.

This shift comes at a time when some of the hottest tech names, like **Uber Technologies** Inc. and **Airbnb** Inc., are opting to stay out of the public markets, even as their valuations get larger.

As of this month, there were 157 venture-backed private companies valued at $1 billion or more, up from 61 three years earlier, according to a Wall Street Journal analysis.

That has had implications across the investing world. For example, mutual funds and other big investors have increasingly looked to get into late-stage venture funding to grab a share of these companies before they balloon in value.

For a good old-fashioned stock picker, though, Amazon's run might be tough to repeat.

USED

Continued from the prior page
studio LOT-EK stacked 21 containers, then cut the structure diagonally to create a three-story, 5,000-square-foot single-family home.

"It must be one of the most photographed houses in Brooklyn," says Simon Araya, who works at a nearby cafe.

LOT-EK has used containers on other projects, including Qiyun Mountain Camp, a 60-acre extreme-sports park in Huangshan, China, scheduled to open later this year, and a seven-story apartment block in Johannesburg, South Africa, using 140 metal boxes. Slated for completion this summer, it is expected to be the world's biggest container structure.

Ada Tolia, one of LOT-EK's co-founders, described containers as "the most prominent symbols of globalization, that move just about everything we own on ships, trucks or trains."

Once they have been retired from their primary use, she said, "they can be used as Lego blocks that can be stacked or shaped to make the most efficient, lightweight and strong structures."

Elsewhere, their second lives are more mundane. New York public-works contractors stack them up as temporary support for overpasses, while Australia's Department of Correctional Services uses them for prison cells. Containers also are used as temporary structures in seasonal or remote locations by retailers, medical clinics, energy workers and the military.

The United Nations uses containers in Haiti as a secure, weather-resistant way of storing food, water, medicine and other equipment.

"When Hurricane Matthew hit the island last October, it was tremendously useful to have hurricane-response gear stored and pre-positioned in shipping containers," said U.S. Air Force Maj. Andrew J. Schrag, who participated in the U.N. peacekeeping deployment.

Industry executives say building with containers can be 40% faster and 20% cheaper than using traditional building materials, though Bareburger ultimately paid double what it budgeted for the Plainview restaurant. The project cost about $2 million and took four years from conception to completion, with builders struggling to work with the dented metal and inspectors conducting extensive reviews before approving the construction.

"It was a massive learning curve," Mr. Simeonidis said. "It was a new way of building that builders on site had no feel for."


COSTA PARIS/THE WALL STREET JOURNAL

The Bareburger restaurant in Plainview, N.Y., is made of 11 used truck-size shipping containers.

Target Is Rethinking Its Approach to Web

By Khadeeja Safdar

Target Corp., under pressure after issuing a dismal profit warning for the year, is narrowing its focus and rethinking its digital strategy, even as competitors like **Wal-Mart Stores** Inc. invest heavily to diversify their online offerings.

The Minneapolis-based retailer has revamped some e-commerce projects, eliminating an in-house startup and implementing new initiatives to save on shipping costs. It has also cut ties with digital partners like Curbside in favor of developing its own programs, and walked away from prospective deals, including an Arizona grocery-store chain and online service Boxed.com, according to people familiar with the talks.

"We're not trying to be the catalog of everything," said digital chief Mike McNamara. "We aren't going to add products to our website and stores just because they exist."

The company has been squeezed in recent years by **Amazon.com** Inc. as shopping moves online, and by Wal-Mart, which has remodeled stores and lowered prices. Sales at Target stores open at least a year have fallen for three consecutive quarters. In February, the company said its 2017 profit could be as much as 25% lower than Wall Street estimates.

Target's stock has fallen about 20% this year, while Wal-Mart's has climbed 11% and Amazon's is up 27%. Target is slated to report first-quarter results on Wednesday, with Wall Street expecting earnings of about 90 cents a share on revenue of $15.6 billion. Wal-Mart is scheduled to report the following day.

As Amazon and Wal-Mart have expanded into new product categories or bought businesses, Target has been more cautious.

It remained on the sidelines when Wal-Mart paid $3.3 billion for discount retailer Jet.com last fall. Executives considered Jet overpriced and a poor fit with Target CEO Brian Cornell's strategy to focus on high-margin categories such as apparel and home décor, according to people familiar with internal discussions.

Instead, Target, which has struggled with declining sales in its food department, was in advanced talks last summer to buy Sprouts Farmers Market Inc., a Phoenix-based chain of about 250 grocery stores. But it eventually walked away, people familiar with the discussions say. Sprouts declined to comment.

More recently, Target looked into acquiring an e-commerce player, including Boxed.com, an online service offering household essentials in bulk, people familiar with the discussions say.

Talks with Boxed didn't go anywhere, the people say. Boxed, which has raised more than $130 million in funding, didn't respond to requests for comment.

"Thinking about possible mergers and acquisitions is something we do every day as a regular course of business,"

'We aren't going to add products to our website and stores just because they exist.'

said Mr. McNamara, who joined Target in 2015 and took over digital operations last September.

Target has been a latecomer to some aspects of e-commerce. Its online business generated about $3 billion last year, accounting for 4.4% of total sales. Digital sales grew 27% in 2016, falling short of Target's goal of 40% growth.

The company outsourced nearly all of its online operations to Amazon in 2001 before ending the relationship in 2011. Last year, it built a new infrastructure for its website after experiencing technical problems during busy shopping times.

Target has begun to centralize decision-making for digital projects. Earlier this year, it eliminated an in-house startup that was developing a marketplace for third-party sellers. The platform, internally called Goldfish, was to feature products from outside sellers and function separately from Target.com, according to people familiar with the project. Such marketplaces account for a substantial portion of the merchandise now sold on Amazon.com and Walmart.com.

People hired to work on Goldfish estimated it would generate $1 billion in sales over three years, but Target pulled the plug after learning about its weak holiday results. Engineers who had been hired at its Sunnyvale, Calif., office a few weeks earlier were laid off, the people said.

Last year, Target dissolved a partnership with Curbside, an app for picking up orders outside stores. Other projects, including a robot-enabled store prototype and a food-research lab, were axed more recently.

The company's chief strategy and innovation officer, Casey Carl, departed earlier this month after nearly 20 years at the retailer.

Target's marketing, digital and grocery chiefs have also left the company in the past year.

Under Mr. McNamara, Target is moving forward on select digital initiatives. The company is working on its own curbside-pickup service, according to a person familiar with the plans.

Executives have also discussed the possibility of developing another marketplace with a limited selection of products.

SCOTT OLSON/GETTY IMAGES

Target has walked away from possible deals to focus on building in-store sales and online margins.

More CEOs Are Getting Ousted for Ethical Breaches

By Vanessa Fuhrmans

Ethical breaches are causing more chief executives to lose their jobs. Researchers say the rising numbers don't point to more corporate misbehavior: It is that CEOs are being held to a higher level of accountability.

Among the myriad reasons corporate bosses leave their jobs, firings have been on the decline. In a study of CEO exits at the world's 2,500 largest public companies, researchers at PricewaterhouseCoopers LLP's strategy consulting arm, called Strategy&, found 20% of CEO exits in the past five years were forced, down from 31% in the previous five years.

But CEO ousters due to ethical lapses—either their own improper conduct or their employees'—are climbing. Such forced exits rose to 5.3% of CEO departures in the 2012-to-2016 period, up from 3.9% during the previous five years.

To confirm the reasons for CEO turnover, the Strategy& consultants cross-referenced company disclosures on CEO departures with news reports and their own interviews with sources inside or familiar with the companies.

An announced resignation was counted as an ouster if it was established the CEO left under pressure.

Bosses of large companies appear more likely than their counterparts at smaller companies to be ousted due to scandal.

Among the largest North American and European companies by market value, the share of corporate chieftains forced to leave because of ethics lapses rose to 7.8% of CEO departures between 2012 and 2016, compared with 4.6% un the previous five years.

Per-Ola Karlsson, a Strategy& partner, said it is unlikely that companies are involved in more wrongdoing. The rise of social media, waning public trust since the 2008 financial crisis and more stringent regulation are making bosses more accountable.

Embattled Wells Fargo & Co. CEO John Stumpf, for instance, announced his immediate retirement last fall, one month after regulators hit the bank with a fine for improper sales tactics and disclosed that 5,300 employees had been fired in recent years for the practices.

In congressional hearings last fall, Mr. Stumpf apologized and took responsibility for the scandal.

Firms Struggle To Fill Top Jobs In Cybersecurity

By Kim S. Nash

Gail Evans, chief information officer at consulting firm **Mercer** LLC, has been looking for a cybersecurity chief since March. After interviewing five prospects by phone and meeting with two, she hasn't found anyone with the right mix of executive experience and technical skills.

"They need to be senior enough, confident enough, able to handle both the strategy and tactical nature of the role so I can get out of their way," she said. "I want someone who's been in an attack and won't freeze."

Demand for chief information security officers is rising as cybersecurity problems attract the attention of corporate boards.

About 65% of large U.S. companies now have a CISO position, up from 50% in 2016, according to the **Information Systems Audit and Control Association**, a nonprofit professional group.

65%

Percentage of big firms with a chief information security officer

Last weekend, a ransomware cyberattack hit more than 200,000 victims in at least 150 countries. Other recent cyberattacks on leading law firms, international banks, and internet companies have compromised the personal data of millions.

In December, Yahoo Inc. disclosed the theft of data related to more than one billion accounts

Meanwhile, cybersecurity talent is in short supply. Unfilled jobs are expected to number 1.8 million by 2022, up 20% from 1.5 million in 2015, according to a global survey of 19,000 cybersecurity workers by the nonprofit Center for Cyber Safety and Education.

New to the top ranks, CISOs must plan strategy with chief executives, collaborate with senior managers during a crisis, direct teams of technical engineers, and flash their own technology skills to hunt attackers in the computer infrastructure.

A seasoned CISO in financial services can earn $1.5 million, said Phil Schneidermeyer, a partner who specializes in CISO placement at search firm Heidrick & Struggles International Inc. In other industries, $400,000 to $500,000 is typical, he said.

Temperament also matters, said Tim McKnight, CISO of Thomson Reuters Corp. Chief information security officers often work for weeks or months under sometimes crushing stress, including in the aftermath of a breach, he said.

"For some people, being that close to the sun is not the greatest job," he said. "The top of the house wants someone battle-tested, with a low heart rate and low blood pressure."

Mr. McKnight joined Thomson Reuters in October after leading information security at General Electric Co., Fidelity Investments, Northrop Grumman Corp., and BAE Systems.

Few CISOs can match Mr. McKnight's 17 years in corporate security, and recruiters know exactly who they are, Mr. Schneidermeyer said. "They are getting multiple calls a week. It's insane. It's just insane."

About 23% of CISOs, and those in similar executive security positions, say they receive five or more solicitations from recruiters weekly, according to a 2016 survey of 437 cybersecurity professionals by Enterprise Strategy Group consultancy and the Information Systems Security Association professional group.

Varian Medical Systems Inc. is five months into the search for a CISO, a newly created title there. Jessica Denecour, the company's chief information officer, said she doesn't lack for applicants.

More health-care companies are seeking chief information security officers, she said, in response to challenges posed by the emergence of increasingly sophisticated cyberattacks, companies shifting more computing outside their own firewalls to the cloud, and even medical devices with embedded sensors that could be accessed to reprogram or to expose patients' personal information.

"The risk profile in our environment and our customer's environments is changing and we are focused on this," she said.

The world-wide shortage of cybersecurity professionals—not just at the CISO rank—can lead to weak succession planning in corporate IT positions, said Brad Maiorino, a former CISO at Target Corp., General Motors Co. and **General Electric** Co.

He was Target's first chief information security officer, hired in 2014, six months after the retailer discovered a data breach that compromised the personal information of up to 40 million customers. The well-publicized attack, which ultimately cost Target more than $202 million, helped awaken corporate boards to cybersecurity issues.

Groups Urge Beijing To Delay Cyber Law

By Eva Dou

BEIJING—Trade groups representing U.S., European and Asian companies called on China to delay a cybersecurity law set to go into force June 1, saying it could discriminate against foreign businesses.

The law, adopted late last year, sets up a committee to conduct security reviews of technology products supplied to the Chinese government and critical industries. Its requirements on matters such as technology disclosure and encryption could give Chinese companies a competitive edge, the groups said in a letter reviewed by The Wall Street Journal.

"Our concerns encompass enormously consequential issues for China's economy, its relations with economic and commercial partners, and the global economy," said the letter, dated Monday and signed by 54 trade groups including the U.S.-China Business Council, American Chamber of Commerce in China, BusinessEurope, the Japan Chamber of Commerce and Industry, and the Korea-China Business Council.

China's internet regulator couldn't immediately be reached for comment. In the past, it has said the rules are neutral and nondiscriminatory.

Some of the law's provisions were softened after they drew criticism from Western trade groups and governments.

Wording that requires companies to submit "source code" to prove their products are secure was removed in the final version of the law.

Critics say the law's vague wording still hands Chinese regulators broad powers to block a technology company's products. Both China and the U.S. have sought to step up security against hacks.

President Donald Trump issued an executive order last week that requires government agencies to tighten their equipment oversight. China's new rules are broader and more intrusive to companies, its detractors say.

The letter comes as the WannaCry cyberattack continues to roll around the world. Targeting computers using Microsoft Corp. software, it makes use of stolen code developed by the U.S. National Security Agency.

Nintendo Plans 'Zelda' App

By Takashi Mochizuki

NINTENDO/ASSOCIATED PRESS

Nintendo wants to expand its mobile-games lineup. Above, a scene from 'The Legend of Zelda.'

TOKYO—**Nintendo** Co. plans to bring its videogame franchise "The Legend of Zelda" to smartphones, people familiar with the matter said, the latest step by the Kyoto company to expand its mobile-games lineup.

Nintendo has been building its mobile presence over the past year after years of focusing on games for its own hardware. It has already released "Miitomo," "Fire Emblem Heroes" and "Super Mario Run" for smartphones and has announced plans for a mobile version of "Animal Crossing."

The people familiar with the matter said the "Animal Crossing" smartphone app is likely to be released in the latter half of 2017, and "The Legend of Zelda" would follow that, although they cautioned that the timing and order of the releases could be changed. Nintendo is developing the games with Tokyo-based **DeNA** Co. Representatives of Nintendo and DeNA declined to comment.

It isn't clear yet how Nintendo would charge for the mobile version of "The Legend of Zelda." Nintendo charges about $10 for players to download the full version of the Mario smartphone game and offers in-app purchases for its other games.

The mobile games have yet to add significantly to the bottom line. Nintendo said that it earned less than ¥20 billion ($176.4 million) from smartphone games in the fiscal year ended March 2017.

Nintendo's president, Tatsumi Kimishima, has said the company plans to expand its mobile lineup to boost revenue. The mobile games are also intended to attract casual game players and encourage them to buy Nintendo hardware.

Macquarie Capital Securities analyst David Gibson said he expected the company would earn more than ¥100 billion from smartphone games in the current fiscal year.

The mobile game "Pokémon Go," which is produced by Nintendo affiliate Pokémon Co., enjoyed a breakout success last summer. Nintendo owns a 32% stake in Pokémon Co., and profit from "Pokémon Go" helped Nintendo earn ¥20 billion from its investments in the year ended March 2017.

Pokémon Co. is planning a new card-game app, two people familiar with the matter said. Pokémon Co. already makes physical cards that players collect and use in competitions. A company spokeswoman declined to comment.

On March 3, Nintendo introduced the Switch, a device designed for use both in the living room and on the go. Initial sales have been strong, pushing the company's shares up.

"The Legend of Zelda" is especially popular in the U.S., where more copies of the Switch version of the game have been sold than the Switch machine itself—apparently because fans who couldn't find the hardware bought the software by itself first.

—Sarah E. Needleman contributed to this article.

FIGHT

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able for rides in Lyft's taxi app.

The Waymo allegations add to Uber's woes this year, following charges of a workplace permissive of sexual harassment and sexism, a series of executive departures, a federal investigation into its use of a technological tool to evade regulators, and a leaked video of Chief Executive Travis Kalanick berating an Uber driver. The company has hired former U.S. Attorney General Eric Holder to help lead an internal investigation into its workplace and is interviewing candidates for its chief operating officer post, to help serve as a check on Mr. Kalanick.

Despite the judge's ruling in the Waymo case, Uber will still be able to continue testing its self-driving cars on the road, currently in Pittsburgh and in Tempe, Ariz.

Judge Alsup rejected the request from Waymo to block Uber from working on 121 technologies related to self-driving cars that Waymo claimed were trade secrets stolen by Mr. Levandowski. Some of the technologies aren't actually trade secrets "and few have been traced into the accused technology," Judge Alsup wrote.

Judge Alsup gave Waymo power to discover if its laser-sensor technology, called lidar, has been incorporated into Uber's driverless-car technology. The judge ordered Uber to account for every employee who knew of the allegedly stolen 14,000 files or had discussed lidar with Mr. Levandowski; to provide an account of all of Mr. Levandowski's written or oral conversations regarding lidar; and to let a Waymo attorney and expert inspect all of Uber's work on lidar.

Waymo may also depose seven additional Uber employees. If Waymo turns up new information in that discovery, the firm can file a new injunction request.

ERIC RISBERG/ASSOCIATED PRESS

A Waymo driverless car on display during a Google event in 2016.

Waymo said in a statement that it would use the new discovery power "to further protect our work and hold Uber fully responsible for its misconduct." The company added, "Competition should be fueled by innovation in the labs and on the roads, not through unlawful actions. We welcome the order."

Still, Mr. Levandowski has frustrated Waymo's efforts to build its case by invoking his Fifth Amendment rights and refusing to answer questions or turn over many documents. The judge wrote that despite that, Uber isn't barred from firing Mr. Levandowski. "Uber has no excuse under the Fifth Amendment to pull any punches as to Levandowski," he wrote.

BUSINESS WATCH

VODACOM

Company to Buy Stake in Safaricom

Vodacom Group Ltd., South Africa's largest mobile operator by subscribers, is buying a $2.59 billion stake in Kenya's **Safaricom** Ltd. in the hope of popularizing the highly touted East African mobile money service M-Pesa across the broader continent.

Vodacom said Monday it has agreed to acquire a 35% stake in Safaricom, Kenya's biggest mobile operator, from Vodafone International Holdings B.V. by issuing 226.8 million new ordinary shares.

The deal is a reshuffling of the pack for Vodafone, which has big stakes in both companies, in Africa.

Vodacom, which is majority-owned by Vodafone Group Ltd., plans to acquire 87.5% of the issued share capital of Vodafone Kenya Ltd., which holds a 40% interest in Safaricom and is wholly owned by Vodafone.

Vodafone will retain a 12.5% interest in Vodafone Kenya, and about a 5% interest in Safaricom, after completion of the proposed transaction.

Vodacom will subscribe for new Vodacom shares, and its interest in Vodacom will rise to 70% from 65%.

Vodacom, with 66.8 million customers on the continent, expects the interest in Safaricom to contribute about 15% of its earnings, based on Vodacom's net profit for the year ended March 31, which rose 3.9% from a year earlier, reflecting strong customer additions in South Africa where the company added 3 million subscribers.

—Alexandra Wexler

MIKE HUTCHINGS/REUTERS

Vodacom has agreed to acquire a 35% stake in Safaricom, Kenya's biggest mobile operator.

NISSAN

Auto Maker Contests Results of Study

Nissan Motor Co.'s relationships with its auto-part suppliers have deteriorated to the point that it ranks last among six major auto makers in North America, according to a survey released Monday.

The poll of auto-parts suppliers by consultant Planning Perspectives Inc. showed **Toyota Motor** Corp. ranked highest in terms of overall perceptions of working relationships, maintaining its lead for a seventh year and followed closely by **Honda Motor** Co.

The results show suppliers' perceptions of **General Motors** Co. have improved steadily in the past two years and surpassed **Ford Motor** Co. this year. **Fiat Chrysler Automobiles** NV stayed ahead of Nissan, which fell to its lowest ranking in the 17-year history of the study.

The Japanese auto maker contested that assessment in a statement. "These study results do not reflect our experience of the technical and commercial relationships that we have with our suppliers," it said.

Nissan has been tougher than peers in price negotiations, which has disrupted working relationships with its suppliers, said John Henke, the president of Planning Perspectives.

The study was based on a poll of 652 sales representatives at 108 automotive suppliers that account for nearly two-thirds of total annual parts purchased by the six top auto makers in North America.

The ratings assess relations in six purchasing fields and 14 commodity parts areas.

—Chester Dawson

THERMO FISHER

Deal for Patheon Valued at $5.2 Billion

Lab-equipment company **Thermo Fisher Scientific** Inc. said Monday it would buy drug-development technology company **Patheon** NV in a deal valued at about $5.2 billion.

Thermo Fisher, which provides equipment, chemicals and other raw materials necessary to do pharmaceutical research, said the deal gives it a way into the high-growth end-to-end biotech solutions market. Patheon is a so-called contract development manufacturing organization, helping biopharmaceutical firms take on complex development and manufacturing needs.

The deal, expected to close by year-end, still requires regulatory and shareholder approval.

—Imani Moise

Energy, Mining Gains Lift Stocks

By Riva Gold
And Gunjan Banerji

F. CARTER SMITH/BLOOMBERG NEWS

Shares of Marathon Oil rose on signs OPEC would extend petroleum-output cuts.

U.S. and European stocks rose Monday as a jump in commodities prices boosted shares of energy and mining companies.

In 4 p.m. New York trading, the Dow Jones Industrial Average was up 85.33 points, or 0.4%, to 20981.94. The S&P 500 and the Nasdaq Composite each added 0.5%.

MONDAY'S MARKETS

In Europe, the Stoxx Europe 600 rose less than 0.1% to 395.97, buoyed by a 0.9% climb in the oil and gas sector—the only one in negative territory for the year.

Oil rose for a fourth consecutive session, retracing a recent slump after some large producers said they would support extending a deal to cut output. Concerns about rising supplies of oil have dented the S&P 500's energy sector, which has fallen roughly 9.6% this year.

"A lot of the imbalances that we saw in the crude oil markets are beginning to stabilize," said Bruce Bittles, chief investment strategist at Baird. The prospect of oil production coming closer in line with consumption has led to this "relief rally in oil," he said.

U.S. crude oil rose 2.1% to $48.85 a barrel after top energy officials in Saudi Arabia and Russia said they would back a nine-month extension to the deal led by the **Organization of the Petroleum Exporting Countries**.

Energy stocks in the S&P 500 climbed 0.3% by late afternoon, with Halliburton up 3.1% and Marathon Oil up 2%.

Mining stocks advanced on gains in base metals after Chinese President Xi Jinping pledged more than $100 billion in new financing as part of a mega-infrastructure project.

Shares of Symantec, a maker of antivirus software, climbed 2.9% by late afternoon after a cyberattack hit computers around the globe.

Moves in haven assets, including government bonds, gold and the yen, were muted. The yield on the 10-year U.S. Treasury note rose to 2.338%, from 2.331% Friday. Yields rise as prices fall.

Investors continue to bet the economy will be strong enough for the Federal Reserve to raise interest rates in June. Fed-funds futures, which are used by investors to bet on central-bank policy, currently suggest a 74% chance of a rate increase next month, down from 83% a week ago, according to the CME Group.

"More recent figures haven't been great, but certainly this year we've had fairly strong [economic] numbers out," said Paul Flood, multiasset manager at Newton Investment Management.

Elsewhere, the Nikkei Stock Average fell less than 0.1%. The Shanghai Composite Index rose 0.2%.

U.S. Court Backs Debt Collectors

By Jess Bravin

WASHINGTON—The Supreme Court on Monday authorized debt collectors to demand repayment of expired debts from consumers in bankruptcy proceedings, with a 5-3 ruling that it isn't the creditor's job to tell the debtor there is no obligation to pay up.

Expired debts—those so old that a statute of limitations prohibits courts from enforcing them—are big business, potentially comprising roughly 30% of more than $100 billion in debt that collection agencies have purchased from credit-card issuers and other businesses that have given up trying to collect, according to a 2013 Federal Trade Commission report.

But while courts generally can't enforce payment of so-called stale debts, in most states creditors can still try to cajole consumers into paying up through phone calls and letters. At issue Monday was whether debt collectors can present an expired debt during a consumer bankruptcy, even though either the individual or the court-appointed bankruptcy trustee can get the debt dismissed by invoking the statute of limitations.

A federal appeals court in Atlanta found that creditors who present stale claims to a bankruptcy court violate the Fair Debt Collection Practices Act, which forbids "unfair or unconscionable means" to extract payments, as well as "false, deceptive or misleading" representations to do so.

Justice Stephen Breyer, writing for the majority, observed that in bankruptcy court, an official trustee examines claims and "is likely to understand" that he can get a claim dismissed by asserting that it is legally unenforceable. Making creditors verify their debts are enforceable before filing them would upset the "delicate balance of a debtors protections and obligations," as a 1974 precedent put it, he wrote.

J.P. Morgan Buys Space to Grow in Dublin

By Charles Forelle

LONDON—**J.P. Morgan Chase** & Co. is buying an office tower in Dublin, giving the U.S. bank significant space to expand outside of London when Britain leaves the **European Union**.

J.P. Morgan already has a substantial operation in Ireland handling custody and fund services—the mechanics of holding and transferring securities—and a spokeswoman said the bank had won new deals in that area and would be adding staff to it.

The building, set to be completed at the end of 2018, will allow for growing businesses in Ireland, but "will also provide our firm some flexibility within the European Union, should we need the space," according to an internal memo sent to staff by Carin Bryans, the bank's senior country officer in Ireland. The new premises has room for 1,000 employees.

Large banks, including J.P. Morgan, have said they would have to move staff out of the U.K. because of Brexit. How many is among the most fraught questions in Britain's divorce.

J.P. Morgan, like other large U.S. banks, has its European headquarters in London and is scouting cities on the Continent for new homes.

EU rules allow banks established in one EU country to sell products and set up branches across the bloc. But once it leaves, Britain is unlikely to retain that privilege.

That means global banks will likely have to establish subsidiaries—or beef up existing ones—inside the EU. Few analysts expect a wholesale exodus from London; its finance roots run too deep and its talent pool is too large. More likely is that chunks of activity break off.

Dublin is a contender for some of that business, given its common language and financial infrastructure. Frankfurt, Paris and Luxembourg are also options for banks.

FINANCE WATCH

MOODY'S

Ratings Firm Buys Dutch Data Provider

Moody's Corp. said it has struck a deal to buy Bureau van Dijk, a Dutch business-data provider, for €3 billion ($3.27 billion) from the Swedish private-equity fund **EQT**.

Founded in 1991 and based in Amsterdam, Bureau van Dijk creates, standardizes and updates company data sets including more than 220 million companies. It helps financial institutions, professional-services firms and governments with credit analysis, investment research, tax analysis, compliance and third-party due-diligence needs.

Moody's said the deal could help extend its reach to new markets. *—Austen Hufford*

SOCIAL FINANCE

Online Lender's CFO Heads to Biotech

The No. 2 executive at online lender **Social Finance** Inc. is exiting from the company to take a senior job at a biotechnology startup.

Nino Fanlo, SoFi's president and chief financial officer, will be finance chief at **Human Longevity** Inc., the two companies said.

At SoFi, Mr. Fanlo was the top lieutenant to Chief Executive Mike Cagney and oversaw the company's efforts to fund both its own operations as well as the loans that it pitched to borrowers. Since its 2011 founding, the San Francisco company has extended around $17 billion in consumer loans.

—Peter Rudegeair

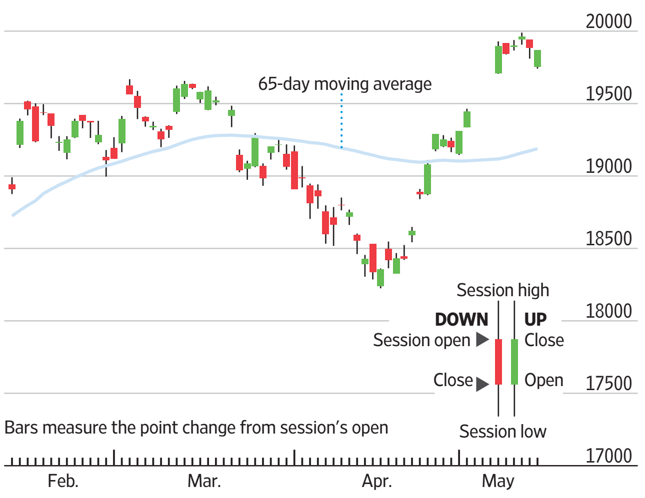
MARKETS DIGEST

Nikkei 225 Index

19869.85 ▼14.05, or 0.07%

High, low, open and close for each trading day of the past three months.

Year-to-date		▲ 3.95%
52-wk high/low	19961.55	14952.02
All-time high	38915.87	12/29/89



STOXX 600 Index

395.97 ▲0.34, or 0.09%

High, low, open and close for each trading day of the past three months.

Year-to-date		▲ 9.56%
52-wk high/low	396.45	308.75
All-time high	414.06	4/15/15

S&P 500 Index

Data as of 4 p.m. New York time

2402.32 ▲11.42, or 0.48%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	23.83	23.82
P/E estimate *	18.45	17.62
Dividend yield	1.97	2.20
All-time high:	2402.32, 05/15/17	

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

International Stock Indexes

Data as of 4 p.m. New York time

Region/Country	Index	Latest Close	Latest NetChg	Latest % chg	52-Week Range Low	52-Week Range High	YTD % chg
World	**The Global Dow**	2759.39	14.37	0.52	2193.75	2760.73	9.1
	MSCI EAFE	1873.56	5.60	0.30	1471.88	1956.39	9.2
	MSCI EM USD	1011.70	9.33	0.93	691.21	1044.05	27.4
Americas	**DJ Americas**	578.14	3.28	0.57	480.90	578.67	7.0
Brazil	**Sao Paulo Bovespa**	68411.31	189.37	0.28	48066.67	69487.58	13.6
Canada	**S&P/TSX Comp**	15631.03	93.15	0.60	13609.58	15943.09	2.2
Mexico	**IPC All-Share**	49690.47	264.39	0.53	43902.25	50154.33	8.9
Chile	**Santiago IPSA**	3738.95	27.02	0.73	2998.64	3786.05	16.0
U.S.	**DJIA**	20981.94	85.33	0.41	17063.08	21169.11	6.2
	Nasdaq Composite	6149.67	28.44	0.46	4574.25	6153.04	14.2
	S&P 500	2402.32	11.42	0.48	1991.68	2404.05	7.3
	CBOE Volatility	10.28	-0.12	-1.15	9.56	26.72	-26.8
EMEA	**Stoxx Europe 600**	395.97	0.34	0.09	308.75	396.45	9.6
	Stoxx Europe 50	3271.56	0.67	0.02	2626.52	3278.74	8.7
Austria	**ATX**	3133.62	51.51	1.67	1981.93	3134.07	19.7
Belgium	**Bel-20**	4023.65	15.31	0.38	3127.94	4055.96	11.6
France	**CAC 40**	5417.40	11.98	0.22	3955.98	5442.10	11.4
Germany	**DAX**	12807.04	36.63	0.29	9214.10	12832.29	11.5
Greece	**ATG**	782.32	-6.81	-0.86	517.10	799.16	21.5
Hungary	**BUX**	34462.02	26.49	0.08	25126.36	34656.12	7.7
Israel	**Tel Aviv**	1432.49	0.72	0.05	1372.23	1490.23	-2.6
Italy	**FTSE MIB**	21704.46	129.01	0.60	15017.42	21724.48	12.8
Netherlands	**AEX**	535.41	0.70	0.13	409.23	537.84	10.8
Poland	**WIG**	61795.32	199.94	0.32	42812.99	62666.49	19.4
Russia	**RTS Index**	1119.98	20.23	1.84	873.58	1196.99	-2.8
Spain	**IBEX 35**	10957.80	60.80	0.56	7579.80	11184.40	17.2
Sweden	**SX All Share**	591.15	0.75	0.13	443.66	593.04	10.6
Switzerland	**Swiss Market**	9108.25	-15.16	-0.17	7475.54	9134.36	10.8
South Africa	**Johannesburg All Share**	54052.18	-11.16	-0.02	48935.90	54704.22	6.7
Turkey	**BIST 100**	95587.75	591.40	0.62	70426.16	96491.03	22.3
U.K.	**FTSE 100**	7454.37	18.98	0.26	5788.74	7460.20	4.4
Asia-Pacific	**DJ Asia-Pacific TSM**	1589.22	3.14	0.20	1308.52	1592.26	11.7
Australia	**S&P/ASX 200**	5838.40	1.50	0.03	5103.30	5956.50	3.0
China	**Shanghai Composite**	3090.23	6.72	0.22	2806.91	3288.97	-0.4
Hong Kong	**Hang Seng**	25371.59	215.25	0.86	19694.33	25371.59	15.3
India	**S&P BSE Sensex**	30322.12	133.97	0.44	25230.36	30322.12	13.9
Japan	**Nikkei Stock Avg**	19869.85	-14.05	-0.07	14952.02	19961.55	4.0
Singapore	**Straits Times**	3264.21	8.92	0.27	2729.85	3271.11	13.3
South Korea	**Kospi**	2290.65	4.63	0.20	1925.24	2296.37	13.0
Taiwan	**Weighted**	10036.82	50.00	0.50	8067.60	10036.82	8.5

Source: SIX Financial Information; WSJ Market Data Group

Global government bonds

Latest, month-ago and year-ago yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds around the world. Data as of 3 p.m. ET

Coupon	Country/ Maturity, in years	Yield	Spread Over Treasurys, in basis points Latest	Previous	Month Ago	Year ago	Yield Previous	Month ago	Year ago
5.250	**Australia** 2	1.659	36.1	38.7	42.6	84.5	1.682	1.635	1.590
4.750	10	2.596	25.7	31.4	24.8	58.6	2.642	2.482	2.286
3.000	**Belgium** 2	-0.514	-181.2	-183.1	-177.9	-125.4	-0.537	-0.570	-0.508
0.800	10	0.829	-151.0	-153.5	-147.3	-132.8	0.793	0.761	0.372
0.000	**France** 2	-0.418	-171.7	-174.6	-167.5	-116.2	-0.451	-0.465	-0.416
1.000	10	0.883	-145.6	-148.5	-130.8	-122.3	0.843	0.926	0.477
0.000	**Germany** 2	-0.679	-197.8	-196.7	-207.2	-125.1	-0.672	-0.863	-0.505
0.250	10	0.422	-191.7	-193.3	-204.3	-157.2	0.394	0.191	0.128
0.300	**Italy** 2	-0.165	-146.4	-147.6	-124.3	-80.4	-0.181	-0.034	-0.058
2.200	10	2.276	-6.3	-7.6	7.8	-22.0	2.251	2.313	1.480
0.100	**Japan** 2	-0.170	-146.9	-147.1	-143.1	-99.3	-0.176	-0.222	-0.247
0.100	10	0.041	-229.8	-228.3	-222.1	-181.0	0.044	0.013	-0.110
4.000	**Netherlands** 2	-0.587	-188.6	-189.7	-198.4	-125.0	-0.603	-0.775	-0.504
0.750	10	0.630	-170.9	-172.5	-179.6	-148.0	0.603	0.439	0.220
4.750	**Portugal** 2	0.311	-98.8	-99.0	-88.1	-46.3	0.305	0.328	0.283
4.125	10	3.364	102.5	103.2	163.3	126.6	3.360	3.867	2.966
2.750	**Spain** 2	-0.257	-155.6	-155.6	-140.0	-82.6	-0.262	-0.191	-0.080
1.500	10	1.635	-70.4	-71.2	-56.9	-9.3	1.615	1.665	1.608
4.250	**Sweden** 2	-0.659	-195.7	-194.8	-188.9	-119.8	-0.654	-0.680	-0.452
1.000	10	0.573	-176.6	-173.0	-172.6	-98.2	0.597	0.508	0.718
1.750	**U.K.** 2	0.138	-116.1	-118.4	-109.2	-37.7	0.110	0.118	0.369
4.250	10	1.141	-119.8	-123.8	-118.8	-32.1	1.089	1.046	1.379
1.250	**U.S.** 2	1.299	...	...	...	...	1.295	1.210	0.746
2.375	10	2.339	...	...	...	...	2.328	2.234	1.700

Commodities

Prices of futures contracts with the most open interest 3:30 p.m. New York time

EXCHANGE LEGEND: CBOT: Chicago Board of Trade; **CME:** Chicago Mercantile Exchange; **ICE-US:** ICE Futures U.S.; **MDEX:** Bursa Malaysia Derivatives Berhad; **TCE:** Tokyo Commodity Exchange; **COMEX:** Commodity Exchange; **LME:** London Metal Exchange; **NYMEX:** New York Mercantile Exchange; **ICE-EU:** ICE Futures Europe. *Data as of 5/12/2017

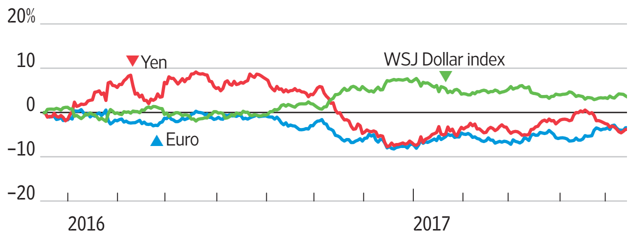
Commodity	Exchange	Last price	One-Day Change Net	One-Day Change Percentage	Year high	Year low
Corn (cents/bu.)	CBOT	367.50	-3.50	-0.94%	393.75	360.75
Soybeans (cents/bu.)	CBOT	965.75	2.75	0.29%	1,092.50	941.25
Wheat (cents/bu.)	CBOT	423.00	-9.75	-2.25	488.75	416.00
Live cattle (cents/lb.)	CME	118.800	-2.975	-2.44	127.500	99.400
Cocoa ($/ton)	ICE-US	2,047	32	1.59	2,270	1,756
Coffee (cents/lb.)	ICE-US	133.30	-1.65	-1.22	161.55	128.65
Sugar (cents/lb.)	ICE-US	15.60	0.09	0.58	20.81	15.24
Cotton (cents/lb.)	ICE-US	85.59	3.41	4.15	87.18	71.86
Robusta coffee ($/ton)	ICE-EU	1970.00	-24.00	-1.20	2,283.00	1,871.00
Copper ($/lb.)	COMEX	2.5395	0.0155	0.61	2.8400	2.4725
Gold ($/troy oz.)	COMEX	1231.10	3.40	0.28	1,297.40	1,152.20
Silver ($/troy oz.)	COMEX	16.640	0.238	1.45	18.725	16.060
Aluminum ($/mt)*	LME	1,884.00	-6.00	-0.32	1,972.00	1,688.50
Tin ($/mt)*	LME	19,800.00	-150.00	-0.75	21,225.00	18,760.00
Copper ($/mt)*	LME	5,541.00	-62.00	-1.11	6,156.00	5,491.00
Lead ($/mt)*	LME	2,171.50	-26.50	-1.21	2,445.00	2,022.00
Zinc ($/mt)*	LME	2,593.00	-31.00	-1.18	2,958.50	2,555.00
Nickel ($/mt)*	LME	9,365.00	-10.00	-0.11	11,095.00	8,980.00
Rubber (Y.01/ton)	TCE	219.40	4.90	2.28	n.a.	n.a.
Palm oil (MYR/mt)	MDEX	2611.00	32.00	1.24	2,790.00	2,421.00
Crude oil ($/bbl.)	NYMEX	49.16	0.99	2.06	58.15	44.13
NY Harbor ULSD ($/gal.)	NYMEX	1.5165	0.0173	1.15	1.7901	1.3846
RBOB gasoline ($/gal.)	NYMEX	1.5943	0.0202	1.28	1.8859	1.4543
Natural gas ($/mmBtu)	NYMEX	3.432	-0.066	-1.89	3.5770	2.8880
Brent crude ($/bbl.)	ICE-EU	51.80	0.96	1.89	60.09	46.64
Gas oil ($/ton)	ICE-EU	454.75	6.00	1.34	526.50	413.00

Sources: SIX Financial Information; WSJ Market Data Group

Currencies

London close on May 15

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Country/currency	Mon in US$	Mon per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso-a	0.0645	15.5122	-2.3
Brazil real	0.3221	3.1047	-4.6
Canada dollar	0.7328	1.3647	1.5
Chile peso	0.001496	668.30	-0.2
Colombia peso	0.0003431	2914.95	-2.9
Ecuador US dollar-f	1	1	unch
Mexico peso-a	0.0536	18.6672	-10.0
Peru sol	0.3065	3.2628	-2.7
Uruguay peso-e	0.0357	28.040	-4.5
Venezuela bolivar	0.098476	10.15	1.6
Asia-Pacific			
Australia dollar	0.7421	1.3475	-3.0
China yuan	0.1450	6.8962	-0.7
Hong Kong dollar	0.1284	7.7886	0.4
India rupee	0.0156	64.0251	-5.8
Indonesia rupiah	0.0000751	13307	-1.6
Japan yen	0.008803	113.60	-2.9
Kazakhstan tenge	0.003196	312.92	-6.2
Macau pataca	0.1252	7.9894	0.9
Malaysia ringgit-c	0.2311	4.3275	-3.5
New Zealand dollar	0.6884	1.4526	0.6
Pakistan rupee	0.0095	104.813	0.4
Philippines peso	0.0202	49.614	0.02
Singapore dollar	0.7152	1.3982	-3.4
South Korea won	0.0008960	1116.06	-7.6
Sri Lanka rupee	0.0065535	152.59	2.8
Taiwan dollar	0.03328	30.051	-7.4
Thailand baht	0.02894	34.560	-3.5
Europe			
Bulgaria lev	0.5613	1.7817	-4.1
Croatia kuna	0.1477	6.769	-5.6
Euro zone euro	1.0977	0.9110	-4.2
Czech Rep. koruna-b	0.0415	24.125	-6.1
Denmark krone	0.1476	6.7768	-4.1
Hungary forint	0.003552	281.50	-4.3
Iceland krona	0.009684	103.26	-8.6
Norway krone	0.1170	8.5439	-1.2
Poland zloty	0.2616	3.8233	-8.7
Russia ruble-d	0.01774	56.370	-8.0
Sweden krona	0.1133	8.8223	-3.1
Switzerland franc	1.0035	0.9965	-2.2
Turkey lira	0.2818	3.5481	0.7
Ukraine hryvnia	0.0378	26.4475	-2.3
U.K. pound	1.2910	0.7746	-4.4
Middle East/Africa			
Bahrain dinar	2.6524	0.3770	-0.04
Egypt pound-a	0.0552	18.1237	-0.05
Israel shekel	0.2774	3.6051	-6.3
Kuwait dinar	3.2824	0.3047	-0.3
Oman sul rial	2.5974	0.3850	0.01
Qatar rial	0.2746	3.642	0.04
Saudi Arabia riyal	0.2666	3.7504	-0.01
South Africa rand	0.0759	13.1802	-3.7

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	89.91	-0.23	-0.25	-3.26

Sources: Tullett Prebon, WSJ Market Data Group

Cross rates

London close on May 15

	USD	GBP	CHF	JPY	HKD	EUR	CDN	AUD
Australia	1.3475	1.7394	1.3521	0.0119	0.1730	1.4790	0.9875	...
Canada	1.3647	1.7619	1.3695	0.0120	0.1752	1.4980	...	1.0128
Euro	0.9110	1.1761	0.9140	0.0080	0.1170	...	0.6675	0.6760
Hong Kong	7.7886	10.0557	7.8166	0.0686	...	8.5498	5.7074	5.7798
Japan	113.6020	146.6600	114.0000	...	14.5860	124.7100	83.2400	84.3100
Switzerland	0.9965	1.2866	...	0.0088	0.1279	1.0941	0.7302	0.7396
U.K.	0.7746	...	0.7772	0.0068	0.0994	0.8503	0.5674	0.5748
U.S.	...	1.2910	1.0035	0.0088	0.1284	1.0977	0.7328	0.7421

Source: Tullett Prebon

Key Rates

	Latest	52 wks ago
Libor		
One month	1.00078%	0.43620%
Three month	1.17944	0.62610
Six month	1.42267	0.90640
One year	1.74511	1.23265
Euro Libor		
One month	-0.40286%	-0.35129%
Three month	-0.36643	-0.27529
Six month	-0.27371	-0.16343
One year	-0.14329	-0.03443
Euribor		
One month	-0.37400%	-0.34800%
Three month	-0.33000	-0.25700
Six month	-0.25100	-0.14300
One year	-0.12700	-0.01200
Yen Libor		
One month	-0.02479%	-0.05386%
Three month	-0.01007	-0.03114
Six month	0.02471	-0.00343
One year	0.12986	0.08743

	Offer	Bid
Eurodollars		
One month	1.1000%	1.0000%
Three month	1.2000	1.1000
Six month	1.3500	1.2500
One year	1.6000	1.5000

	Latest	52 wks ago
Prime rates		
U.S.	4.00%	3.50%
Canada	2.70	2.70
Japan	1.475	1.475
Hong Kong	5.00	5.00
Policy rates		
ECB	0.00%	0.00%
Britain	0.25	0.50
Switzerland	0.50	0.50
Australia	1.50	1.75
U.S. discount	1.50	1.00
Fed-funds target	0.75-1.00	0.25-0.50
Call money	2.75	2.25
Overnight repurchase rates		
U.S.	0.88%	0.44%
Euro zone	n.a.	n.a.

Sources: WSJ Market Data Group, SIX Financial Information, Tullett

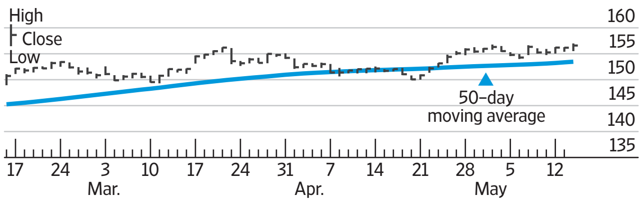
Top Stock Listings

4 p.m. New York time

Cur	Stock	Sym	Last	% Chg	YTD% Chg
Asia Titans					
HK$	AIAGroup	1299	55.70	0.54	27.31
¥	AstellasPharma	4503	1435.50	2.28	-11.58
AU$	AustNZBk	ANZ	29.41	0.65	-3.32
AU$	BHP	BHP	23.82	0.29	-4.95
HK$	BankofChina	3988	3.89	2.37	13.08
HK$	CKHutchison	0001	102.50	0.89	16.61
HK$	CNOOC	0883	9.20	1.55	-5.15
AU$	CSL	CSL	134.31	0.13	33.76
¥	Canon	7751	3814.00	0.13	15.75
¥	CentralJapanRwy	9022	18600	0.08	-3.28
HK$	ChinaConstructnBk	0939	6.48	1.73	8.54
HK$	ChinaLifeInsurance	2628	24.95	1.63	23.51
HK$	ChinaMobile	0941	85.55	0.53	4.08
HK$	ChinaPetro&Chem	0386	6.45	3.20	17.27
AU$	CmwlthBkAust	CBA	82.24	0.70	-0.21
¥	EastJapanRailway	9020	10450	0.67	3.47
¥	Fanuc	6954	22595	-0.53	14.03
¥	Hitachi	6501	661.90	5.97	4.73
TW$	Hon Hai Precisn	2317	104.00	1.46	23.52
¥	HondaMotor	7267	3194.00	-0.16	-6.47
KRW	HyundaiMtr	005380	154000	-0.65	5.48
HK$	Ind&Comml	1398	5.15	1.38	10.75
¥	JapanTobacco	2914	3947.00	0.38	2.68
¥	KDDI	9433	3094.00	0.36	4.54
¥	Mitsubishi	8058	2296.50	-0.63	-7.77
¥	MitsubishiElectric	6503	1622.50	-1.04	-0.43
¥	MitsubishiUFJFin	8306	721.50	-1.16	0.18
¥	Mitsui	8031	1540.00	-1.28	-4.17
¥	Mizuho Fin	8411	207.10	-0.91	-1.29
¥	NTTDoCoMo	9437	2733.00	0.50	2.63
AU$	NatAustBnk	NAB	32.64	0.96	6.42
¥	NipponTeleg	9432	5155.00	0.70	4.95
¥	NissanMotor	7201	1091.50	-1.44	-7.15
¥	Panasonic	6752	1341.50	-0.56	12.78
HK$	PingAnInsofChina	2318	46.80	1.63	20.62
$	RelianceIndsGDR	RIGD	41.80	...	32.49
KRW	SamsungElectronics	005930	2305000	0.61	27.91
¥	Seven&I Hldgs	3382	4846.00	0.54	8.83
¥	SoftBankGroup	9984	8495.00	-1.87	9.40
¥	Sony	6758	4005.00	-1.01	22.29
¥	Sumitomo Mitsui	8316	4171.00	-0.81	-6.48
HK$	SunHngKaiPrp	0016	116.00	...	18.37
TW$	TaiwanSemiMfg	2330	206.00	...	13.50
¥	TakedaPharm	4502	5653.00	0.61	16.92
HK$	TencentHoldings	0700	259.00	0.31	36.53
¥	TokioMarineHldg	8766	4941.00	0.32	3.02
¥	ToyotaMtr	7203	6009.00	-0.63	-12.63
AU$	Wesfarmers	WES	43.57	-0.93	3.39
AU$	WestpacBanking	WBC	32.83	0.80	0.71
AU$	Woolworths	WOW	26.79	-0.56	11.16
Stoxx 50					
CHF	ABB	ABBN	24.68	-0.12	14.90
€	ASMLHolding	ASML	123.95	0.32	16.22
€	AXA	CS	24.40	0.68	1.73
€	AirLiquide	AI	111.90	0.18	5.92
€	Allianz	ALV	173.60	0.46	10.57
€	AB InBev	ABI	108.80	-0.50	8.20
£	AstraZeneca	AZN	5194.00	0.35	17.05
€	BASF	BAS	88.35	-1.35	0.05
€	BNP Paribas	BNP	67.07	0.77	10.77
£	BT Group	BT.A	303.50	-0.80	-17.28
€	BancoBilVizAr	BBVA	7.44	0.69	17.14
€	BancoSantander	SAN	6.14	1.92	23.90
£	Barclays	BARC	210.60	2.28	-5.75
€	Bayer	BAYN	116.05	-0.60	17.07
£	BP	BP.	464.20	0.91	-8.91
£	BritishAmTob	BATS	5394.00	-0.26	16.72
€	Daimler	DAI	69.15	0.12	-2.22
€	DeutscheTelekom	DTE	17.48	-0.29	6.88
£	Diageo	DGE	2282.00	-1.00	8.15
€	ENI	ENI	15.00	0.74	-3.04
£	GlaxoSmithKline	GSK	1658.50	-0.39	6.18
£	HSBC Hldgs	HSBA	685.20	1.05	4.31
€	INGGroep	INGA	15.36	0.26	14.85
£	ImperialBrands	IMB	3662.50	-1.47	3.39
€	IntesaSanpaolo	ISP	2.84	0.50	17.15
€	LVMHMoetHennessy	MC	231.20	-0.13	27.45
£	LloydsBankingGroup	LLOY	69.39	1.00	11.01
€	LOreal	OR	189.90	-0.08	9.52
£	NationalGrid	NG.	1046.00	0.29	9.92
CHF	Nestle	NESN	81.30	-0.12	11.29
CHF	Novartis	NOVN	80.45	-0.56	8.57
DKK	NovoNordiskB	NOVO-B	274.40	-0.18	7.73
£	Prudential	PRU	1765.00	0.31	8.45
£	ReckittBenckiser	RB.	7363.00	0.10	6.93
£	RioTinto	RIO	3019.50	1.67	-4.40
CHF	RocheHldgctf	ROG	269.50	-0.37	15.86
£	RoyDtchShell A	RDSA	2154.50	0.44	-3.92
€	SAP	SAP	94.21	-0.48	13.77
€	Sanofi	SAN	92.97	0.24	20.90
€	SchneiderElectric	SU	70.58	0.68	6.76
€	Siemens	SIE	130.05	0.04	11.34
CHF	Syngenta	SYNN	463.00	0.06	15.03
€	Telefonica	TEF	10.07	0.20	14.23
€	Total	FP	48.35	0.77	0.23
CHF	UBSGroup	UBSG	16.61	-1.25	4.14
€	Unilever	UNA	49.41	0.55	26.33
£	Unilever	ULVR	4115.50	0.32	25.00
€	Vinci	DG	78.37	-0.20	21.13
£	VodafoneGroup	VOD	211.10	0.02	5.63
CHF	ZurichInsurance	ZURN	283.50	0.57	1.11
DJIA					
$	AmericanExpress	AXP	78.34	1.10	5.75
$	Apple	AAPL	155.61	-0.32	34.35
$	Boeing	BA	182.47	-0.42	17.21
$	Caterpillar	CAT	102.42	1.70	10.44
$	Chevron	CVX	106.87	0.86	-9.20
$	CiscoSystems	CSCO	34.23	2.33	13.27
$	Coca-Cola	KO	43.72	0.30	5.45
$	Disney	DIS	109.14	-0.50	4.72
$	DuPont	DD	79.45	0.19	8.24
$	ExxonMobil	XOM	82.81	0.31	-8.25
$	GeneralElec	GE	28.18	-0.32	-10.82
$	GoldmanSachs	GS	225.01	0.98	-6.03
$	HomeDepot	HD	157.35	0.27	17.36
$	Intel	INTC	35.63	0.28	-1.76
$	IBM	IBM	151.49	0.74	-8.74
$	JPMorganChase	JPM	87.34	0.48	1.22
$	J&J	JNJ	127.00	2.72	10.23
$	McDonalds	MCD	146.25	0.61	20.15
$	Merck	MRK	63.51	-0.09	7.88
$	Microsoft	MSFT	68.43	0.07	10.12
$	Nike	NKE	53.77	-0.79	5.78
$	Pfizer	PFE	33.14	0.39	2.03
$	Procter&Gamble	PG	86.34	0.17	2.69
$	3M	MMM	197.64	0.54	10.68
$	Travelers	TRV	120.23	-0.30	-1.79
$	UnitedTech	UTX	120.93	0.08	10.32
$	UnitedHealth	UNH	171.53	-0.16	7.18
$	Visa	V	93.28	0.59	19.56
$	Verizon	VZ	45.37	-1.03	-15.01
$	Wal-Mart	WMT	76.29	0.77	10.37

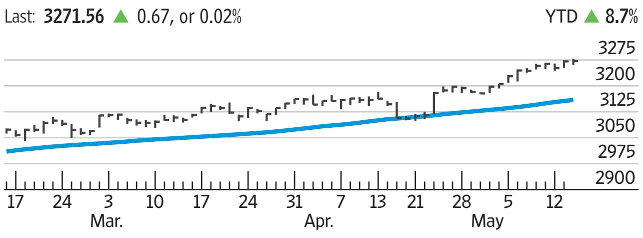
Asia Titans 50

Last: 156.59 ▲ 0.42, or 0.27% YTD ▲ 11.1%



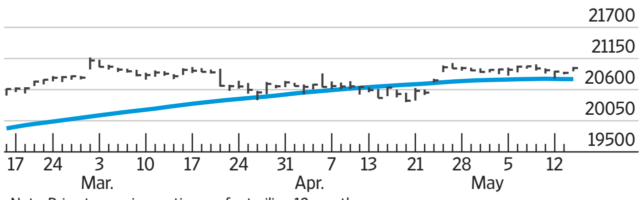
Stoxx 50

Last: 3271.56 ▲ 0.67, or 0.02% YTD ▲ 8.7%



Dow Jones Industrial Average

Last: 20981.94 ▲ 85.33, or 0.41% P/E: 20 YTD ▲ 6.2%



Note: Price-to-earnings ratios are for trailing 12 months
Sources: WSJ Market Data Group; Birinyi Associates

AIG Picks Veteran of Firm to Lead It

By Leslie Scism and Joann S. Lublin

American International Group Inc. on Monday named Brian Duperreault—a onetime lieutenant to former CEO Maurice R. "Hank" Greenberg—as the firm's new chief executive.

Mr. Duperreault, 70 years old, is the founder and CEO of Bermuda-based **Hamilton Insurance Group** Ltd. Mr. Duperreault spent just over two decades at AIG before leaving to run three other companies. His résumé includes a widely praised turnaround of consulting and insurance-brokerage firm **Marsh & McLennan** Cos.

News of Mr. Duperreault's planned hiring was first reported Wednesday by The Wall Street Journal.

In returning to AIG, Mr. Duperreault will face the challenge of improving its financial results amid fierce industry competition. The insurance conglomerate has paid off a nearly $185 billion U.S. government bailout extended during the global markets meltdown of 2008, but it had to sell many businesses to repay taxpayers. AIG's profit margins have notably lagged behind many of the insurer's rivals since its near collapse.

Separately, AIG said Monday that it had agreed to acquire Hamilton's U.S. platform for an estimated price of $110 million, a move seen as deepening AIG's push into big data and analytics. AIG and Hamilton also announced a reinsurance partnership, and AIG agreed to pay Hamilton as much as $40 million for the firm releasing Mr. Duperreault from restrictive covenants that could have restricted his hiring.

The past six months have been particularly tumultuous for AIG. Just a few weeks after the firm posted disappointing fourth-quarter results, CEO Peter Hancock in March said he would resign from the insurance giant after less than three years at the helm. Many board members were unhappy about setbacks in the company's plan for boosting profitability, while several also feared a potential fight with AIG shareholder and activist investor Carl Icahn.

Brian Duperreault was once lieutenant to ex-CEO Maurice 'Hank' Greenberg.

Mr. Hancock agreed to stay until a successor was found.

AIG executives are carrying out a two-year strategic plan unveiled in January 2016—in response to pressure from Mr. Icahn.

Many goals are on track to be achieved, such as cutting costs and returning $25 billion to investors through dividends and share buybacks, analysts have said.

AIG board members don't expect their new leader to change the current strategic direction at the giant insurer, the people familiar said.

In brief comments Monday at a previously planned AIG event highlighting its consumer-insurance businesses, Mr. Duperreault said, "I didn't come here to break the company up, I came here to grow it."

It was an apparent reference to some activist investors' calls over the past two years for the insurance conglomerate to improve its results by splitting itself apart. Mr. Duperreault noted AIG's "tremendous commitment" to share buybacks but said capital also will be deployed to expand the company.

He said, too, that AIG's claims reserves appear reasonable, which alleviates concerns of some analysts that he might take a large charge against earnings to bolster them.

Mr. Duperreault said he wants continued investments in data science to better assess insurance risks, with AIG to be "at the forefront of the industry."

—David Benoit contributed to this article.

SEC Draws From Silicon Valley

Bill Hinman worked on major tech deals before joining the agency to encourage more public offerings

By Dave Michaels

WASHINGTON—To spur more companies to go public, the new head of the **Securities and Exchange Commission** has turned to a veteran Silicon Valley lawyer whose career has involved some of the biggest deals in history.

Bill Hinman has worked on initial public offerings and other transactions that involved Apple Inc. founder Steve Jobs, **Google** Inc. founders Larry Page and Sergey Brin, and Facebook Inc. chief executive Mark Zuckerberg.

Mr. Hinman, 61 years old, a former partner at **Simpson Thacher & Bartlett** LLP in Palo Alto, Calif., is the first SEC director in years to come from Silicon Valley rather than New York, Boston or Washington.

He will direct the SEC's Corporation Finance division, which oversees IPOs and the voluminous disclosures that explain the businesses to investors. New commission chairman Jay Clayton, at his Senate confirmation hearing in March, called for scaling back requirements on listed firms, saying the government should make it "more attractive" to go public.

Mr. Clayton's tenure could mark a shift for public companies, which have faced mounting regulations since the U.S. dot-com bust and Enron Corp. accounting scandal of the early 2000s along with the Dodd Frank financial-overhaul law of 2010.

The U.S. now has a deficit of more than 5,000 listed companies, compared with the number predicted by its level of wealth and investor rights, according to research by economists Craig Doidge, Andrew Karolyi and René Stulz.

RYAN DONNELL FOR THE WALL STREET JOURNAL

Bill Hinman will direct the SEC's Corporation Finance division, which oversees IPOs and disclosures.

In an interview, Mr. Hinman said he didn't believe the decline in the number of public companies could be blamed entirely on regulation. But he said spurring more public offerings is a worthy goal of regulators, because investors benefit from the detailed public disclosures.

He also expressed interest in expanding the 2012 Jumpstart Our Business Startups Act. The law, passed with bipartisan support, was hailed as the first sign that Washington understood how the internet could be used to help smaller companies raise money without turning to Wall Street.

"To the extent the SEC can make it more attractive and efficient to raise capital here, we are going to want to do that," he said. "That is our primary focus and challenge going forward."

Some of the companies Mr. Hinman has worked with or helped take public over the past two decades diverged from the traditional model of a public firm. He advised Apple in the 1990s on the deal that brought Mr. Jobs back to the company, which involved the purchase of Mr. Jobs's other company, NeXT Software Inc.

In 2004, he also worked on Google's IPO, which used a Dutch auction instead of the traditional process of using investment banks to sell its stock. The process was designed to yield an opening price that more accurately reflected the firm's value.

That outcome could mean that investors who secured shares through the auction couldn't quickly unload them for a profit, because the stock was less likely to rocket higher during first-day trading. Mr. Hinman urged the company to disclose the risk in plain English, telling auction buyers they could be victims of a "winner's curse": On one hand they had secured shares of a hot IPO, and on the other they could lose money if they tried to sell them immediately.

"Bill turned a seeming bug into a feature," said Michael Grimes, head of technology banking at Morgan Stanley, which was the lead bank on the deal.

Mr. Hinman grew up in upstate New York. His mother was a telephone operator for the Crouse-Hinds Company, a specialty manufacturer of electrical equipment, and his father was a billing clerk for the Oscar Mayer Company. Both of his grandfathers worked at an Alcoa plant in Massena, N.Y., across the St. Lawrence River from Canada.

After studying as an undergraduate at Michigan State University and graduating from Cornell University Law School, he joined the bank regulatory group at Shearman & Sterling LLP's New York office. In 1989, Mr. Hinman was involved in Mexico's debt restructuring, a deal that led to several more years of work in Brazil and Argentina.

Burned out from constant travel, he relocated to California in 1994 to focus on technology clients, partly because it would allow him to work with clients that were close to home. Mr. Hinman bought a house in Montana several years ago in anticipation of retirement and doing more fly-fishing and skiing.

"If you practice in Silicon Valley you don't have to travel as much because you have a lot of great companies in your backyard," he said. "The companies innovate in products and services and that carries over to how they raise capital and run themselves. So from an SEC lawyer's perspective, it's always been a fun environment."

Regulatory Blitz Has Chinese Banks Rattled

By Chuin-Wei Yap

BEIJING—The past two months have been tumultuous for Chinese lenders as a new banking czar has unleashed a blizzard of new directives, uncovered a fraud scandal and issued heavy fines.

Since his appointment to head the China Banking Regulatory Commission in February, Guo Shuqing has become a central figure in Beijing's crackdown on risk, making moves that have rattled markets.

The 60-year-old Mr. Guo is navigating narrow straits: He has to tame a freewheeling industry without killing a tentative recovery in bank profits or causing too much disruption.

President Xi Jinping has stressed the need for a stable financial sector ahead of a major Communist Party leadership shuffle this fall.

On Friday, the CBRC tried to reassure investors that it was aware of the threat of overregulation and emphasized the campaign's value in reducing risk in the long term. "We're hoping now to avoid risks that have resulted from the regulations to resolve risk," said Xiao Yuanqi, a CBRC department head.

Among Mr. Guo's first orders: an eight-month audit of risky assets across Chinese banks.

"The banking system currently shows symptoms of using a bullpen to cage a cat," Mr. Guo said in the written directive circulated to banks, a reference to overly loose regulation. "Rules aren't being followed. Those who were caught before have been repeating their offenses."

His directive triggered an inspection last month at **China Minsheng Banking** Corp., a midsize lender, that uncovered at least 1.65 billion yuan ($239 million) illegally solicited from investors, allegedly for nonexistent wealth-management products.

The discovery refocused attention on high-profile failures of such products, a burgeoning subset of lightly regulated credit under the umbrella of "shadow banking."

Banks like Minsheng are marketing to their customers these products that are typically designed by financial-service firms such as trust companies and securities houses and other brokerages. In many cases, banks describe these transactions as neither assets nor liabilities, and so they demur the need to account for them on their balance sheets, essentially hiding risky loans.

Shadow banking in China has nearly tripled in size to around 65 trillion yuan ($9.4 trillion) by the end of 2016 from five years earlier, equal to around 87% of gross domestic product, according to **Moody's Investors Service**.

Minsheng attributed its lapse to wrongdoing by some employees. In response, investors protested outside the bank branch where the problems began, chanting and unfurling a banner that read "Minsheng, return our money!"

Minsheng, in coordination with the bank regulator, swiftly guaranteed that investors would get back what they invested.

Despite the quick quelling of the protests, the episode underscored the difficult balancing act Mr. Guo has to strike in drawing attention to problems without triggering investor anger or roiling the financial system in ways that are hard to control.

At **Ping An Insurance Group** Co. about a year ago, investors in white bandannas—a Chinese symbol of death—protested a defaulted product for weeks outside the company's headquarters, clashing with police. Around the same time, an investor protesting soured products sold by asset-management firm Global Wealth Investment (Beijing) Co. stabbed the firm's chief executive.

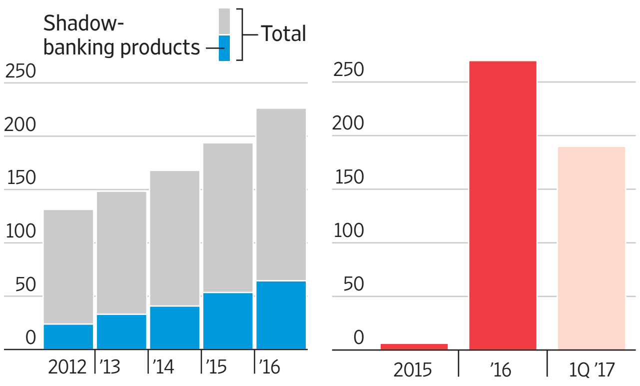
Mr. Guo, a former head of China's securities regulator who also guided one of China's largest lenders, **China Construction Bank** Corp., out of crippling debt, is returning to financial regulation at a time when slow growth and a mountain of debt pose serious challenges to China's financial health.

He has a reputation for hands-on leadership and directness and has been mentioned as China's next central-bank governor. His comeback to banking after four years of governing Shandong province has been welcomed in financial circles.

Asked on his third day as banking czar about his regulatory agenda, Mr. Guo deflected the question. "My head is still swimming with industrial upgrading programs in Shandong: for example, the three main ways it's improving its rural toilets," he said.

Chasing Shadows

China's bank regulator is applying a heavy hand in trying to control a surge in nontraditional, high-yield investment products.



Note: 250 trillion yuan = US$36.2 trillion

Sources: People's Bank of China; Moody's Investors Service (shadow-banking products); China Banking Regulatory Commission

THE WALL STREET JOURNAL.

SHU ZHANG/REUTERS

China Banking Regulatory Commission head Guo Shuqing has become a central figure in Beijing's crackdown on lender risk.

He quickly moved into high gear. Along with the heightened inspections, the commission has sharply increased penalties on banks that violate rules and this month it ordered closer scrutiny of loan collateral.

Mr. Guo's CBRC has handed down some of the highest individual fines on public record. That includes a 16.7 million yuan ($2.4 million) fine of Ping An Bank Co. and 11.9 million yuan for **China Huaxia Bank** Ltd., on charges including breaching internal controls and illegally guaranteeing repayment of investments.

In the first quarter this year, the regulator levied 190 million yuan in fines, compared with 270 million yuan in all of 2016 and 6.3 million yuan in 2015.

It is likely Minsheng will face a fine from the regulator; the bank said it doesn't yet know for how much. Minsheng said the employees are under police detention; it isn't clear if charges have been filed.

The uncertainty around the sector has made investors nervous. Chinese markets this past week extended their decline since mid-April. "Unless there is clear sign of a reverse in tightening regulations, the market is likely to tumble further as panic selling continues," said Zhang Gang, an analyst at Central China Securities.

The CBRC's Mr. Xiao said Friday the regulator is willing to give banks time to adjust to changes, and apply tougher standards only on new bank products while allowing existing ones to expire intact.

Financial-sector problems in China tend not to be isolated. After Mr. Guo asked banks to look into risky debt, problems were discovered in a city in Shandong province—with borrowers guaranteeing each others' debts in interlocking webs that set off a ripple effect when some loans went bad.

Last week, a bank regulator in Dalian, a major port city, said in a briefing that such problems had also been found in his jurisdiction, though he hastened to add they were under control.

The sharply higher fines aren't regarded as crippling for banks. However, Mr. Guo's CBRC has signaled it is taking aim at the proliferation of banks' wealth-management products.

By forcing banks to stop a widespread practice of guaranteeing such products regardless of risk, regulators hope to make investors bear more responsibility for their decisions—a test that has eluded Mr. Guo's predecessors.

"Breaking the 'ironclad guarantee' is very difficult to accomplish in one move," said Zhao Xijun, a finance professor at Renmin University of China. "It needs regulators, asset managers and investors to work together as one."

—Grace Zhu contributed to this article.

MARKETS

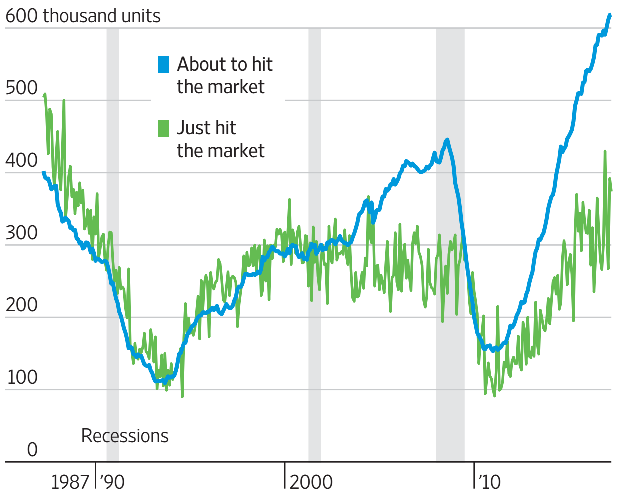
THE DAILY SHOT | By Lev Borodovsky

Hard Times Hit High-End Housing

Rising demand for luxury apartments has spurred an epic building boom that now threatens the health of this sector of the U.S. housing market. While overbuilding so far seems limited to the priciest properties, analysts are watching this segment closely for any signs of spillover.

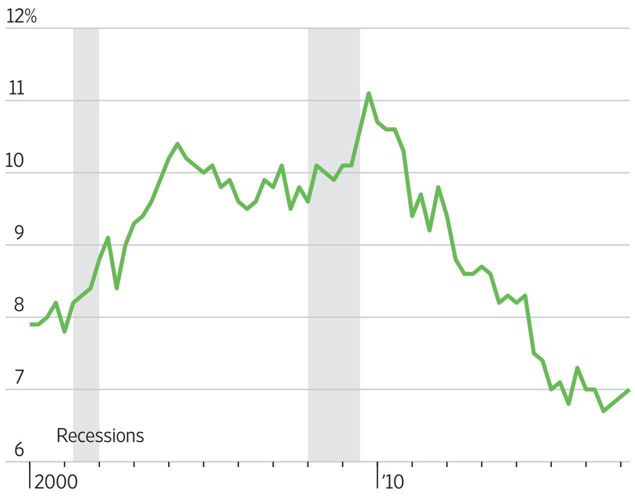
A massive inventory of new apartments has or is about to hit the market.

New privately owned housing units



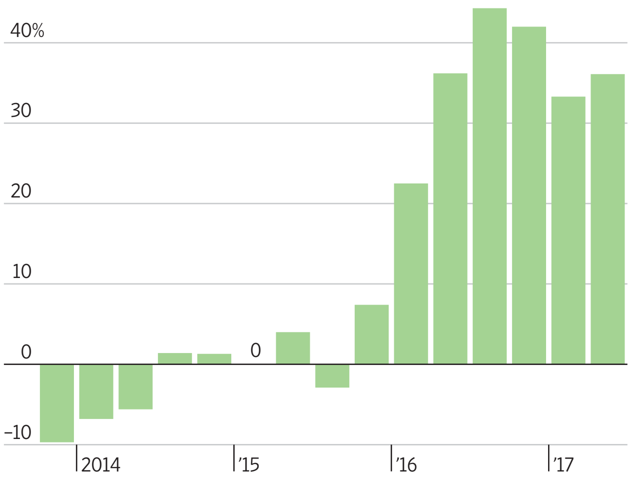
As a result, vacancy rates are no longer declining and could begin climbing.

U.S. rental vacancy rate



With competition in the space heating up, banks are becoming more cautious in lending—on both new construction and existing apartment purchases.

U.S. banks tightening real estate lending, quarterly net percentage



Multifamily loan growth to developers and landlords is slowing.

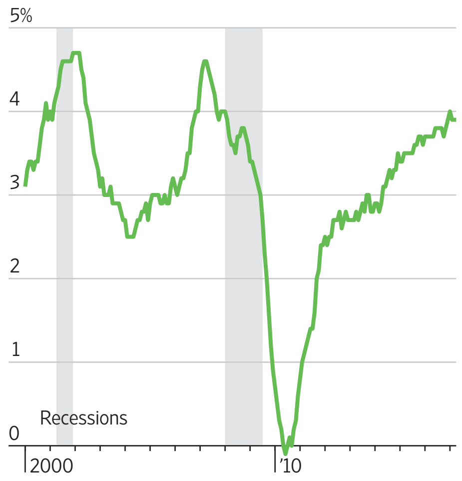
Multifamily property loans, percentage change from a year earlier

Permits for new multifamily units have declined meaningfully from the postrecession highs.

New privately owned housing units authorized

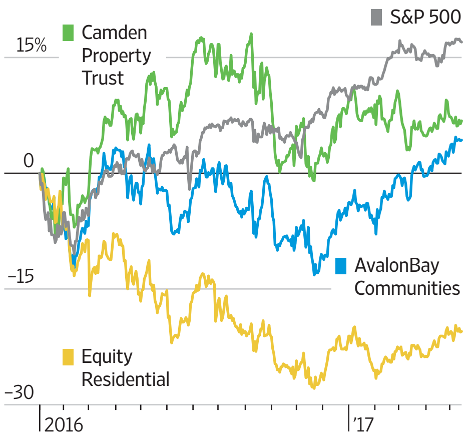
Rental inflation remains high but it could be peaking as renter competition heats up.

Rental inflation



The luxury-apartment business has boomed in recent years, but rising supply is now weighing on shares of firms such as Equity Residential, a real estate investment trust.

Percentage change since 2015



Sources: Federal Reserve Bank of St. Louis; U.S. Census Bureau (housing units, vacancy); Board of Governors of the Federal Reserve System (tightening; loan growth); U.S. Bureau of Labor Statistics (rental inflation); FactSet (stocks, S&P 500); National Bureau of Economic Research (recessions)

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This Fashion Bid Needs New Look

France's richest man may need to dig deeper if he wants to straighten out his tangle of shareholdings in luxury leaders **LVMH** and **Christian Dior**.

Bernard Arnault announced last month that he wanted to buy out minority shareholders in Christian Dior, the listed entity through which he owns most of his stake in LVMH. He would pay what he said was Dior's book value of €260 ($284.22) a share, in a mixture of cash and shares in a third luxury company whose shares he owns, Hermès.

But if the offer was ever pitched at book value, it no longer is. Mr. Arnault used different methodologies for valuing Dior's 41% stake in LVMH, which accounts for most of the company's book value, and his own stake in Hermès, which accounts for about one-third of the offer package. The Dior stake in LVMH was valued using one-month and three-month average share prices, while the Hermès stake was valued using the last available price.

Discount Luxury

Christian Dior's share price relative to estimated book value

Source: Sanford C. Bernstein

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Luxury-goods magnate Bernard Arnault

Since luxury shares have rebounded strongly in the year to date, the inconsistency had the effect of understating Dior's book value by about €14 a share.

The other problem is that LVMH shares have risen about 8% since the deal was announced, while Hermès shares have fallen 4%. Plug the latest share prices into Mr. Arnault's model and Dior is valued at €293 a share, while his offer is worth just €257, a 12% discount. The billionaire essentially wants to buy Christian Dior's fashion house, which is the company's only other asset, for free, only to sell it on to LVMH for €6.5 billion.

Dior shareholders, instead of waiting for the tender, have probably rotated into LVMH shares, boosting their value. They may have also sold Hermès shares, anticipating that they will receive fresh ones from Mr. Arnault.

Still, Dior's shareholders have little to gain from selling out at a 12% discount to book. In the month before the announcement, the Dior discount to book value as implied by LVMH's stock price averaged 15%, calculates brokerage Bernstein. If Mr. Arnault wants the Dior minorities, he will probably have to offer more for them.

Of course, he might choose to walk away instead. Dior shares would then likely fall in rhythm with LVMH's, which have also been buoyed by the earnings-boosting prospect of integrating the Dior fashion house. But this risk can be covered by a short position in LVMH stock. A stake in Dior would then amount to a pure bet that the discount between the companies' valuations will close.

This seems a reasonable bet to make. Mr. Arnault has made clear he wants to simplify his empire, yet the discount remains almost as wide as it was before. That can't last.

—Stephen Wilmot

OVERHEARD

One word: slime.

U.S. children's recent penchant for the gooey stuff has been a bright spot for certain U.S. companies. Elmer's glue is a key slime ingredient, and that has been good news for Elmer's parent **Newell Brands**.

On its earnings call last week, Newell Chief Executive **Michael Polk** said the company is "driving new brand activity to markets around making slime with Elmer's to meet the incredible consumer-driven need to make slime."

Office Depot is seeing that firsthand. On its earnings call, Chief Executive **Gerry Smith** said that the company's marketing teams "noticed the slime trend was building in February on social media," and the company responded by quickly increasing its glue inventory and partnering with Elmer's to make a child-friendly recipe.

Alas, no fad can last forever. The marketing team might not have broken the news to management yet, but there are these things called fidget spinners...

Cybersecurity Stocks Can Make You Cry

Cybersecurity investors would do well to remember that buying on the bad news isn't typically the safest play.

Several security stocks got a strong boost Monday following the huge malware attack dubbed "WannaCry" that circled the globe over the weekend. **Proofpoint** and **FireEye** each had jumped 9% by Monday afternoon, while **Palo Alto Networks**, **Fortinet** and **Symantec** each gained about 3%.

It isn't the first time a high-profile attack has spurred speculation. But security spending is already a high priority for corporate executives, so the shock value of such episodes generally doesn't alter budgets in a significant way.

The threat is growing, of course. The number of successful hacks or malware infections on businesses and other organizations by outside parties totaled 300 last year compared with 129 the year before, according to the Privacy Rights Clearinghouse. Before the weekend, more than 100 such attacks had been logged this year.

Yet the sharp rise in cyberattacks over the past two years hasn't translated into strong returns for investors. Of the stocks mentioned above, only Proofpoint and Symantec have outperformed the Nasdaq Composite in that time. Proofpoint provides email security, and likely would benefit most from increased spending in this area given that email is the most common means of entry for malware. But it also trades at about 137 times forward earnings, which is a fairly high price to command in a sector that hasn't always given investors what they have paid for.

—Dan Gallagher

Concern Over Complacency in Markets Appears Misplaced

Signs of complacency, a dangerous force in markets, seem to be everywhere. Stocks globally, as measured by the MSCI World stock index, are at a record high, and the VIX at a nearly quarter-century low. Bond yields are still on the floor.

But are investors actually being complacent? That would suggest they are ignoring risk. One sign that they aren't is that there is such angst about complacency.

The strong start to markets in 2017—highlighted by a 9.6% gain for the Stoxx Europe 600 share index and strong performances for emerging-market currencies, stocks and bonds—appears not to sit well with a world looking for the next shock.

Growth and inflation have picked up, but it isn't clear that this is the longed-for escape from the sluggish postcrisis period. A global economic policy uncertainty index, based on the frequency of media articles on the topic, has fallen from the end of 2016, but it is still at levels seen in 2011 and 2012, when the eurozone debt crisis was in full swing.

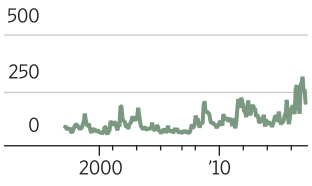
Investors are keeping powder dry. The Bank of America Merrill Lynch global fund manager survey in April showed cash holdings at 4.9%, above the 10-year average of 4.5%. Investors have spent a good deal of time shunning Europe, meaning even big flows into European markets are only beginning to reverse previous caution. The same is true of emerging markets.

Shocks are certain to emerge. But UBS strategists argue that analysis of price movements since the financial crisis shows that while subsequent shocks have had a big impact on markets, they have tended to fade quickly in the absence of a real change in the underlying trend.

Two things could change the big picture. One is China. Efforts to rein in the financial sector must be watched closely for signs that they are hitting the economy, reawakening fears of a China-driven slowdown.

Interesting Times

Global economic policy uncertainty index



Source: Scott R. Baker, Nick Bloom and Steven J. Davis, policyuncertainty.com

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The other is central banks, and whether they accelerate their baby steps away from ultraloose monetary policy. U.S. inflation, in particular, should be in focus. A faster pace for the Fed could revive concerns about the dollar and U.S. bond yields that so far haven't come to pass in 2017. Investors will also focus on the European Central Bank's exit from bond purchases. But central bankers are also aware of global economic risks.

The performance of markets has certainly made it harder to make money: Finding cheap assets is more difficult. That explains some of the consternation about low volatility. Rather than a signal that the sky is about to fall, it might just reflect money waiting for the next dip in markets to buy.

—Richard Barley