THE WALL STREET JOURNAL.

DOW JONES | News Corp ★★★★★★ THURSDAY, JUNE 1, 2023 ~ VOL. CCLXXXI NO. 126 WSJ.com ★★★★ $5.00

DJIA 32908.27 ▼ 134.51 0.41% NASDAQ 12935.29 ▼ 0.6% STOXX 600 451.76 ▼ 1.1% 10-YR. TREAS. ▲ 16/32, yield 3.636% OIL $68.09 ▼ $1.37 GOLD $1,963.90 ▲ $5.90 EURO $1.0689 YEN 139.34

What's News

Business & Finance

Fed officials signaled they are increasingly likely to hold rates steady at their next meeting before preparing to raise them again later this summer, with two policy makers publicly underscoring a preference to forgo a June increase. **A1**

◆ **Staley said** in legal documents that for years he communicated with JPMorgan CEO Dimon about the bank's business with Epstein, setting the stage for a conflict with his ex-boss, who maintains he had no such conversations. **A1**

◆ **Franklin Resources** agreed to buy rival money manager Putnam Investments from Putnam's Canadian owner for as much as $1.3 billion in stock and cash. **B1**

◆ **A type of U.S. oil** will for the first time factor into calculations for the price of benchmark Brent crude, starting with deliveries that arrive Thursday. **B1**

◆ **Exxon and Chevron** shareholders struck down a raft of proposed climate initiatives at the companies' respective annual meetings. **B1**

◆ **Major U.S. stock indexes** fell, with the S&P 500 and Nasdaq both losing 0.6%, while the Dow industrials ended 0.4% lower. **B11**

◆ **Meta Platforms asked** a federal court to block the FTC's attempt to impose new sanctions on the company for alleged privacy violations. **B4**

◆ **Amazon agreed** to settle claims that it improperly retained children's Alexa voice recordings and allowed employees of its Ring unit to surveil customers. **B4**

World-Wide

◆ **The House passed** a sweeping bill that suspends the federal government's $31.4 trillion debt ceiling in exchange for spending cuts, as Republican Speaker McCarthy muscled through a deal struck with Biden to avert a looming default. **A1**

◆ **Drones struck** two oil refineries in southern Russia, as Western officials said Moscow was moving to shore up defenses in border areas and along the 900-mile front with Ukraine. **A8**

◆ **Former New Jersey** Gov. Christie, former Vice President Pence and North Dakota Gov. Burgum are expected to soon join the 2024 Republican presidential field. **A4**

◆ **Sen. Menendez hosted** a 2018 meeting with a New Jersey businessman who is a focus of a corruption probe of the Democratic lawmaker that has broadened in recent weeks, according to people familiar with the matter. **A4**

◆ **Top Republican lawmakers** escalated threats to hold the FBI's Wray in contempt over what they view as his stonewalling of a congressional probe into the business dealings of Biden and his family. **A4**

◆ **NHTSA proposed** a new regulation that would require automatic emergency braking on nearly all future cars and trucks. **A3**

◆ **Iran's stockpile** of highly enriched uranium grew by over a quarter in the three months to May, the IAEA reported. **A7**

◆ **Died: Harvey Pitt**, 78, former SEC chairman. **A4**

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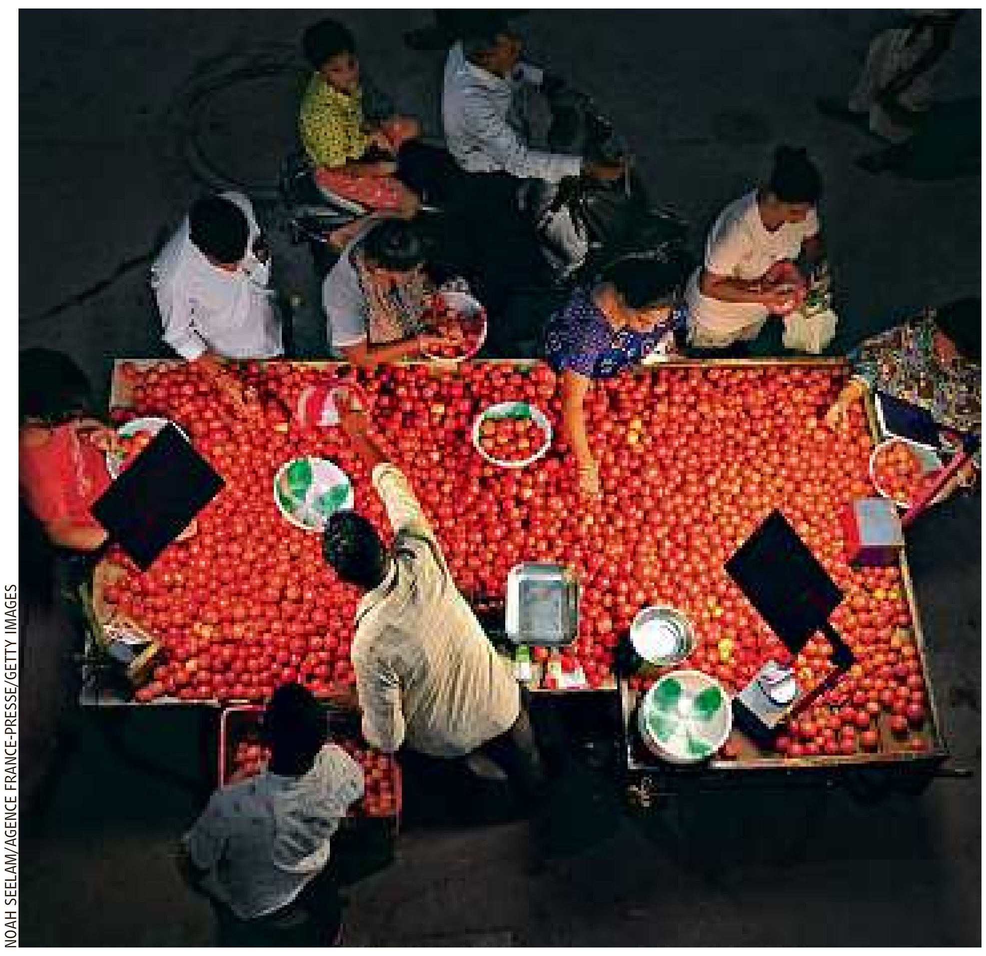
Domestic Demand Lifts India's Economy



NOAH SEELAM/AGENCE FRANCE-PRESSE/GETTY IMAGES

ON THE MARKET: Customers shop at a food stand in Hyderabad on Wednesday, as India reported that its GDP grew 6.1% in the fiscal fourth quarter on strong domestic demand. **A7**

House Passes Debt-Ceiling, Spending Deal

Bill advances to Senate in 314-117 vote with bipartisan support, capping struggle

BY SIOBHAN HUGHES AND NATALIE ANDREWS

WASHINGTON—The House passed a sweeping bill that suspends the federal government's $31.4 trillion debt ceiling in exchange for spending cuts, as Republican Speaker Kevin McCarthy muscled through a deal struck with President Biden to avert a looming government default.

Wednesday night's 314-117 vote relied on support from both Republicans and Democrats. Passage of the deal sends the measure to the Senate, where leaders have promised quick action, and Biden has said he is eager to sign the measure into law. Treasury Secretary Janet Yellen has said the government could run out of the cash it needs to pay its bills on time on June 5 and warned of severe economic damage and market disruptions unless Congress acts.

The House vote marks the culmination of a hard-fought debate in the chamber, where Republicans were intent on using the debt ceiling as leverage to deeply cut deficit spending and roll back many of Biden's signature initiatives—but ended up settling for more modest changes.

The outcome showed, for now, that McCarthy has the power to deliver high-stakes deals with Democrats while still keeping his job, and bolstered Biden's reputation as a

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Dimon Accused Of Having Discussed Epstein

BY KHADEEJA SAFDAR AND DAVID BENOIT

A former top JPMorgan Chase executive said in legal documents that for years he communicated with Chief Executive Jamie Dimon about the bank's business with convicted sex offender Jeffrey Epstein—setting the stage for a conflict with his former boss, who maintains he had no such conversations.

Jes Staley's statements, made in documents viewed by The Wall Street Journal that haven't been made public, are his first remarks to emerge about conversations he says he held with Dimon regarding Epstein. The bank said on Tuesday that Staley's statements are false.

The documents are part of the discovery process for a legal fight over JPMorgan's connections to Epstein.

In the documents, Staley said that Dimon communicated with him when Epstein was arrested in 2006 and in 2008 when Epstein pleaded guilty. Staley also said Dimon communicated with him various times about whether to maintain Epstein as a client through 2012.

Epstein was accused of sexu-

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Fed Sets Up June Pause, Hike Later

BY NICK TIMIRAOS

Federal Reserve officials signaled they are increasingly likely to hold interest rates steady at their June meeting before preparing to raise them again later this summer.

Investors in recent days had expected the Fed would lift rates at its meeting June 13-14, prompting two policy makers Wednesday to publicly underscore their preference to forgo a hike, barring a sizzling jobs report on Friday.

The strategy would give officials more time to study the economic effects of the Fed's 10 consecutive prior rate rises, as well as recent banking stress, by spacing out further increases. They have lifted rates by 5 percentage points since March 2022 to combat high inflation, most recently on May 3 to a range between 5% and 5.25%, a 16-year high.

"A decision to hold our policy rate constant at a coming meeting should not be interpreted to mean that we have reached the peak rate for this cycle," Fed governor Philip Jefferson said in a speech Wednesday in Washington. "Indeed, skipping a rate hike at a coming meeting would allow the committee to see more data before making decisions about the extent of additional policy firming."

Jefferson's comments were notable because President Biden nominated him in May to serve as the Fed's vice chair, a position that typically aids the Fed chair in shaping the policy agenda ahead of the central bank's rate-setting Federal Open Market Committee meeting.

Philadelphia Fed President Patrick Harker, a voting member of the FOMC this year, also endorsed holding rates steady in June. "I think we can take a bit of a skip for a meeting and, frankly, if we're going to go into a period where we need to do more tightening, we can do that every other meeting," he said Wednesday at a conference in Philadelphia.

Fed Chair Jerome Powell laid the foundation for skipping a rate increase during a public appearance on May 19.

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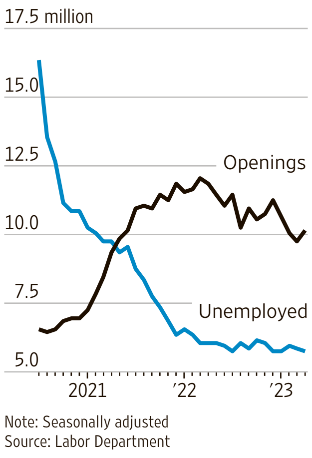
Labor Demand Stays Strong

Employers' recruitment efforts increased in April, while layoffs declined. **A6**

Job openings compared with unemployed looking for work



Note: Seasonally adjusted
Source: Labor Department

Town's Lawsuit Sparks Wave Of Environmental Litigation

Stuart, Fla., blames firefighting foam for its tainted drinking water

BY KRIS MAHER AND DAN FROSCH

STUART, Fla.—In 2016, city leaders gathered to discuss some alarming news about their coastal town.

An aide to a local congressman had told them that the drinking water in Stuart, a community of about 18,000, contained levels of chemicals that exceeded new federal guidelines.

Most of the officials present at the meeting at city hall had never heard of the chemicals or knew why they were a problem. Stuart had twice won a state award for having the best-tasting water around. The water manager paced the room in disbelief, according to Mike Mortell, Stuart's city attorney, who retreated to his office to scour the internet for any information he could find.

Seven years later, the small city of retirees and tourists 40 miles north of Palm Beach is at the forefront of one of the nation's biggest environmental legal battles, over a class of chemicals known as PFAS. The fight pits hundreds of municipalities and about a dozen states against corporate giant 3M and other companies that made or sold the chemicals or firefighting foam containing them.

Cities from Philadelphia to San Diego allege that for decades companies supplied the foam despite knowing it was toxic and would eventually taint water supplies. The foam was good at putting out fires, the cities say, but created a different risk: People could get

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You'll Want to Cut This One Out

* * *

Die-hards still spread the word using scissors, stamps and envelopes

BY SARAH E. NEEDLEMAN

Stephen Butkus is a total copycat.

The 71-year-old clips newspaper and magazine articles at home in Sudbury, Mass., where he keeps a photocopier, envelopes and stamps to mail copies to family and friends. "We try to inform and amuse," Butkus said of his longtime habit of circulating stuff he reads.

He sometimes mails copies of the same article to multiple recipients but generally tries to personalize his selections. Butkus recently sent his brother an article about three-story triplex homes becoming popular in Boston—"We grew up in one," he said—and mailed a funny cartoon about exercising to his former health-club trainer. "I still see her around town," he said.

Sharing newspaper clippings used to be common before the internet disrupted everything. It wasn't just the move from snail mail to email. There are now a lot fewer printed newspapers and magazines to clip from.

Peter Butkus said when he was growing up his father must have subscribed to as many as six newspapers and more than a dozen magazines. "It looked like a dentist's office in our house," said Butkus, a 39-year-old hedge-fund manager in Barrington, R.I. The elder Butkus doesn't dispute it.

During the golden age of print, when newspapers were generally regarded as having the last word, people regu-

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Russian Sought by U.S. Fled Italy for Moscow

BY ERIC SYLVERS AND MARGHERITA STANCATI

MILAN—A Kremlin-linked businessman accused of illegally exporting American military technology to Russia was arrested in Italy at the U.S.'s request. Then he vanished.

Artem Uss, son of a powerful political close to President Vladimir Putin, was able to escape to Moscow after Italy granted him house arrest, despite U.S. warnings he would flee. Uss evaded Italian police using cars and an international network of helpers including a Serbian criminal gang, people familiar with the events said.

The affair has created friction between the U.S. and Italy, denting Rome's efforts to present itself as a reliable partner in the West's confrontation with Moscow over the Ukraine war.

It has also robbed the U.S. of a potentially valuable asset in prisoner exchanges for U.S. citizens held in Russia, including Wall Street Journal reporter Evan Gershkovich, who the U.S. government deems wrongfully detained.

Gershkovich, 31 years old, was detained by agents from the Federal Security Service, or FSB, while on a reporting trip in the Russian city of Yekaterinburg on March 29. He is being held on an allegation of espionage that he, the Journal and the U.S. government have vehemently denied.

Uss would have been the most politically well-connected Russian in Western custody since Moscow launched its full-scale invasion of Ukraine. His father, Alexander Uss—until recently governor of the Krasnoyarsk region, a vast and oil-rich swath of Siberia—thanked Putin upon his son's return. "Special words of gratitude go out to our president. He is not

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JUSTIN SULLIVAN/GETTY IMAGES

PERSONAL JOURNAL
How to guard against pesky airline, hotel and car-rental fees this summer. **A11**

ANDREJ SOKOLOW/DPA/ZUMA

BUSINESS & FINANCE
Restitution from Elizabeth Holmes for Theranos investors is unlikely. **B1**

CAPITAL ACCOUNT | By Greg Ip

A Debt Deal That Doesn't Deal With Debt

An old saying about academia nicely describes U.S. budget policy these days: The fights are so vicious because the stakes are so low.

Republicans in Congress used the threat of a catastrophic default on Treasury securities if President Biden didn't agree to cut spending. In the end, GOP negotiators agreed to raise the debt ceiling, removing the threat of default, in return for cuts that make only the slightest change to the trajectory of deficits and debt.

There are two key lessons. First, as politics have become more polarized, both parties, though Republicans more so, have reached for financial tactics once seen as off limits. Yet the goals have drifted further from controlling deficits and debt.

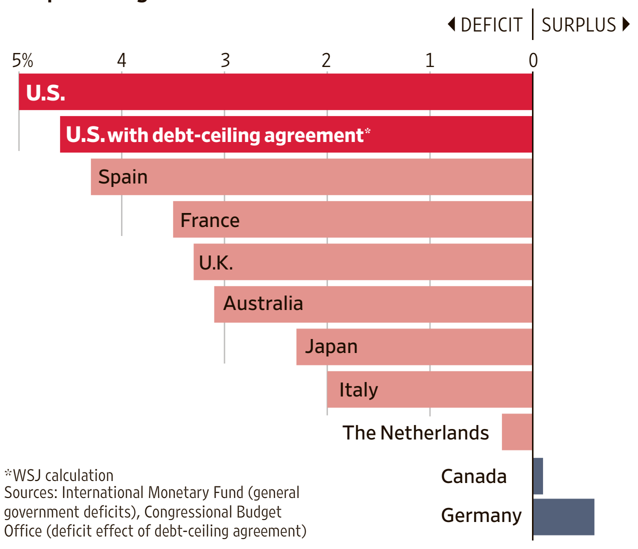
Republicans' beef has never been with debt, otherwise they wouldn't routinely vote for tax cuts, as they did in 2017, that add to it. Their beef is with the size and nature of federal spending.

Yet even on spending, their ambitions have shrunk. When the government shut down for 21 days in 1995-96, a key reason was a demand by House Speaker Newt Gingrich on changes to Medicare intended to save money. He didn't get those changes, but he did succeed in normalizing shutdowns as a negotiating tool.

Shutdowns result when Congress doesn't authorize money for government programs. By contrast, the debt ceiling limits how much the Treasury can borrow to pay for programs that are already authorized—including interest on existing debt. In 2011, Republicans in control of the House raised the prospect of not raising the debt ceiling, forcing the Treasury to default, to extract spending cuts from Democratic President Obama.

For a time, both sides were willing to consider changes to Social Security and Medicare, which provide pensions and healthcare to the elderly and disabled. Both are mandatory programs, i.e., they don't have to be reauthorized each year. In the end, though, the programs were left largely untouched and cuts were borne almost entirely by discretionary spending—the sort that covers many vital federal functions such as the National Park Service, the U.S. Coast Guard, National Institutes of Health and National Aeronautics and Space Administration. Nonetheless, the Overton window had moved: Threatening default was now an acceptable negotiating tactic.

Estimated total government deficit or surplus as a percentage of GDP for 2025



*WSJ calculation
Sources: International Monetary Fund (general government deficits), Congressional Budget Office (deficit effect of debt-ceiling agreement)

By 2023, the negotiating field had narrowed considerably. In his State of the Union speech, Biden accused Republicans of wanting to sunset Medicare and Social Security. When they protested, he declared a bipartisan consensus on leaving the two alone.

Sure enough, when House Speaker Kevin McCarthy opened negotiations, the two programs were off the table, as were veterans' benefits, defense, interest on the debt, and, of course, taxes. That left nondefense discretionary spending, less than 15% of the total, to bear the brunt of any cuts. "If you were really serious about debt and deficits, you wouldn't be focusing on 15% of the budget," said Bill Hoagland, senior vice president of the Bipartisan Policy Center.

And in the end, discretionary spending will actually rise slightly next year, after inflation, according to Goldman Sachs. The Congressional Budget Office estimates the deal will reduce deficits by $1.5 trillion over a decade. That sounds like a lot, but it simply means the federal debt, now 97% of gross domestic product, will rise to around 115% in a decade instead of 119%. And that's assuming the Trump tax cuts expire after 2025 and a future Congress doesn't jack up discretionary spending.

So what was the point? Asked Tuesday what comes after the deal, McCarthy said that when the new spending caps are translated into program cuts during the appropriations process, "you're able to eliminate the wokeism." The target, in other words, wasn't spending per se; but the political values reflected in that spending.

The U.S. isn't the only advanced country whose politics have become polarized, but it's the only one where the division of budgetary authority between the executive and legislative branches, an annual budget cycle and a debt ceiling offer so many opportunities to jeopardize what should be the routine matter of funding the government. That's why Moody's Investors Service rates the U.S. institutional strength lower than that of any other triple-A-rated country.

To date, this has had little financial or economic fallout. In the wake of the 2007-09 crisis, real (inflation-adjusted) interest rates were routinely zero or negative. This kept the cost of servicing debt low.

Those conditions aren't likely to return. Inflation is running at around 5%, and getting it down may require sustained positive, possibly high, real interest rates. That would put upward pressure on future deficits that as a share of GDP are the highest of the seven largest advanced economies, the International Monetary Fund says.

"The US stands out as having one of the least affordable debt burdens among Aaa-rated sovereigns and G-7 countries," Moody's wrote in March. "Over the medium term, in line with rising US interest rates, we expect US debt affordability to gradually deteriorate, driven mainly by higher interest payments and comparatively weak government revenue growth."

Future Congresses will thus be confronted with more of the budget eaten up by interest costs. And if this year is any indication, it will be without a majority willing to vote for either higher taxes or lower mandatory spending to offset it.

House Approves Compromise

Continued from Page One

deal maker who was willing to find a middle ground with Republicans.

Biden said he has "been clear that the only path forward is a bipartisan compromise that can earn the support of both parties. This agreement meets that test."

The bill would suspend the debt ceiling through Jan. 1, 2025, moving the next battle over the borrowing limit until after the presidential election. The deal trims some discretionary spending next fiscal year and imposes a 1% spending cap for fiscal 2025, but doesn't touch big parts of the budget, including Social Security and Medicare. It also includes provisions to speed up energy projects and impose new requirements for food assistance.

The legislation would reduce government deficits by about $1.5 trillion over a decade compared with the baseline forecast, according to the Congressional Budget Office.

McCarthy, who could see his speakership come under pressure if he isn't able to shore up GOP support, cajoled rank-and-file Republicans on the House floor and in closed-door meetings. Some GOP lawmakers made requests for additional votes, like on balancing the budget, in exchange for their votes.

"To continue Washington's spending addiction is both irresponsible and just wrong," McCarthy said shortly before the vote. "For the first time, we begin to turn the ship." He called the cuts the biggest in U.S. history, adding: "I for one...don't want to be on the wrong side of history."

Under a deal he cut with holdouts during his marathon speakership election in January, McCarthy agreed to change House rules to allow any member to call a vote to vacate the chair and seek a new leader. He said he isn't worried about any challenge.

Some conservative Republicans complained that the cuts were a shadow of the reductions laid out in their April bill that served as their opening bid in the talks, with some signaling they could seek to oust McCarthy over concessions he made.

After the bill passed with 165 Democratic votes and just 149 Republican votes, the GOP's right flank piled on with more complaints.

"We were told they would never put a bill on the floor that would get more Democrats than ours to pass," said Rep. Andy Biggs (R., Ariz.). "We were told that," he said, complaining, "That's what just happened."

JIM LO SCALZO/EPA/SHUTTERSTOCK

House Speaker Kevin McCarthy (R., Calif.) called the spending cuts the biggest in history.

Progressive Democrats, meanwhile, bemoaned the provisions related to energy permitting and work requirements for social programs. Biden has highlighted that the deal leaves untouched Medicare and most of his Inflation Reduction Act climate and tax law, though it does claw back billions of dollars from the Internal Revenue Service.

"I'm going to support the legislation that is on the floor today," said Rep. Hakeem Jeffries of New York, the Democratic leader, describing his message at a closed-door party caucus meeting. "I support it without hesitation or reservation or trepidation, not because it's perfect. But in divided government we of course cannot allow the perfect to be the enemy of the good."

Rep. Tom Cole (R., Okla.), chairman of the Rules Committee, said: "This effort is to both responsibly raise our debt ceiling and begin to address the underlying spending problem. I wish we could have done more in that regard, but I'm glad we got done what we did."

Failure to raise the debt ceiling would risk delaying government payments to elderly people who receive Social Security, investors holding Treasury debt and federal workers, among others. Some lawmakers said they wanted to vote "yes" because many constituents were worried about receiving their checks.

Some Senate Republicans who have threatened to slow passage said they would agree to cut through procedural hurdles if they were granted amendment votes.

Sens. Rand Paul (R., Ky.) and Mike Lee (R., Utah) have said they would need amendment votes if they are to consent to speeding up passage of the debt-ceiling deal. Without such a consent agreement, final passage could be delayed until Tuesday, June 6.

"I cannot stress enough that we have no margin—no margin—for error," Senate Majority Leader Chuck Schumer (D., N.Y.) said. "Either we proceed quickly and send this bipartisan agreement to the president's desk or the federal government will default for the first time ever."

The bill would cut spending on domestic priorities favored by Democrats in fiscal 2024 and boost military spending by about 3%. It then sets a 1% cap on spending increases for the 2025 fiscal year. The bill also extends limits on food assistance to able-bodied, low-income adults without dependents to people ages 50 to 54, up from the current age limit of 49, to prod them to find jobs.

—Kristina Peterson, David Harrison and Lindsay Wise contributed to this article.

More People Pressed to Work for Food Aid

By Kristina Peterson

WASHINGTON—Some older adults would be required to work to get food aid under the federal debt-limit deal set for congressional votes this week, while others would be newly exempt from having to find a job, in one of the more controversial provisions of the compromise agreement.

The deal struck by President Biden and House GOP negotiators over the weekend would raise the age to 54, up from 49, for able-bodied, low-income adults without dependents who would be required to work at least 80 hours a month to receive food aid.

Currently, able-bodied, low-income people between the ages of 18 and 49 can receive food assistance for no more than three months within a three-year period unless they are working or enrolled in a work program.

Supporters of the change say people ages 50 to 54 are still capable of work and should be encouraged to do so. Opponents say many older workers might no longer be able to do physical work, and might face age discrimination in seeking employment.

"Make no mistake, these adjustments will make older, poorer Americans hungrier," Rep. Jim McGovern of Massachusetts, the top Democrat on the House Rules Committee, said at the panel's meeting Tuesday.

Republicans say strengthening work requirements would fuel economic growth and help motivate people to lift themselves out of poverty.

The bill would drop the work requirements for veterans, homeless people and young people leaving foster care. The new exceptions and the higher age limit would end by October 2030.

"We know that people who are work-capable should work," said Rep. Dusty Johnson (R., S.D.), who introduced legislation expanding work requirements earlier this year. "We also acknowledge there are times like getting out of service or foster care that people might need a little extra time to get stable."

When asked over the weekend about concern that the food-aid changes would cause more people to go hungry, President Biden said that was a "ridiculous assertion."

Lawmakers and administration officials said they expected the new requirements would affect about 700,000 recipients of food aid between the ages of 50 and 54. About 41 million low-income people received federal food aid.

In a development that surprised many lawmakers, the nonpartisan Congressional Budget Office estimated Tuesday night that the changes to food aid would end up costing the government more money. Taken together, the phased-in expanded work requirements and the new carve-outs for veterans, the homeless and youths leaving foster care are expected to increase federal spending by $2.1 billion over 10 years, CBO said. The new exemptions are estimated to cost more than the expanded work requirements will save.

Supporters of the change say people ages 50 to 54 are still capable of work.

Once all of the changes go into effect, about 78,000 people would gain benefits in an average month, the CBO estimated. That number could end up being lower because successfully filling out the program's paperwork can be a hurdle for many applicants and some veterans and homeless people may already have their work requirements waived by their states.

A family of three would generally need to earn less than $30,000 a year in gross income to qualify for food assistance.

Democrats who had pushed the White House to reject expanded work requirements said the new estimates were encouraging. "It certainly is good to know that this is not something that overall will be harmful," Senate Agriculture Committee Chairwoman Debbie Stabenow (D., Mich.) said Wednesday.

Rep. Patrick McHenry (R., N.C.), who helped negotiate the deal with Biden, said Wednesday he disagreed with some of CBO's calculations, but stood by both the carve-outs and the higher age limit for work requirements.

"We think the value of work is very important for the American people, especially able-bodied citizens without any children at home," he said. "And so we wanted them in the workforce."

Able-bodied adults living in households without children made up about 7% of the population receiving food assistance in 2019, according to the Agriculture Department, which administers the Supplemental Nutrition Assistance Program.

The bipartisan deal omitted a GOP proposal to add work requirements to Medicaid, which the White House had rejected.

CORRECTIONS & AMPLIFICATIONS

A chart with an Exchange article on Saturday about haggling didn't specify that results exceeded 100% because respondents could select more than one answer in a Harris Poll/Zillow Home Loans survey about reasons not to shop around for a mortgage.

The Mideast-based commanders of the U.S., British and French navies transited the Strait of Hormuz on Friday, May 19. In some editions Wednesday, the photo caption with a World News article about the United Arab Emirates incorrectly implied they did so on Friday, May 26.

Grace Atwood is a 41-year-old blogger whose full morning routine, including drying her hair, can take around 30 minutes. An Off Duty article Saturday about how women can speed up their morning routines incorrectly gave her age as 42, said her full morning routine takes under 10 minutes, and said she is a book consultant.

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

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Regulators Press for Automatic Emergency Braking

By Ryan Felton

U.S. auto-safety regulators want to mandate automatic emergency braking on nearly all future cars and trucks, a move that they say will help save lives and reduce injuries from car accidents.

The National Highway Traffic Safety Administration proposed Wednesday a new regulation that would require automakers to sell cars with the advanced safety technology, which uses a combination of sensors and software to detect roadway dangers and brake the car itself if the driver doesn't act fast enough.

The move marks a significant step by regulators to harness some of the automated driving technology that has been deployed by automakers mostly as an optional feature to tackle what has been a sharp rise in traffic fatalities in recent years.

NHTSA says that the proposed mandate could save at least 360 lives a year and reduce injuries by at least 24,000 annually.

If the rule is adopted, automakers would have as many as three years to comply with the new automatic emergency braking requirement, the agency said.

The rule calls for the technology to have certain capabilities, including being able to stop the car to avoid contact with a vehicle in front of it while traveling as much as 62 miles an hour. It also would need to detect and avoid pedestrians at night, said Ann Carlson, NHTSA's chief counsel.

Nearly 43,000 people died last year in vehicle crashes, which is up nearly 19% from 2019, according to NHTSA.

Pedestrian deaths have surged 18% between the first halves of 2019 and 2022, said the Governors Highway Safety Association, which represents state highway-safety offices.

Automakers had voluntarily agreed in 2016 to make automatic emergency braking standard on cars and trucks. But that commitment didn't go far enough to outline certain specifications for the technology that would make it more effective in reducing injuries and deaths, regulators say.

Automakers, which market the technology as a safety feature, have also struggled in the past to perfect the technology.

The next step is for the regulators to gather public comments on the proposed rule.

Vermont Homeless Gird for Evictions

State is winding down pandemic-era program that sheltered people in hotels and motels

By Jon Kamp

Judy Turner, above, has been staying at a motel in Barre, Vt., right, after she says she fled domestic abuse in Connecticut.

JOHN TULLY FOR THE WALL STREET JOURNAL (2)

BARRE, Vt.—Judy Turner has been staying in a motel room in this small New England city since early February. Facing a pending eviction, she is now contemplating sleeping in a tent.

"I don't have a plan," said Turner, a 49-year-old who said she fled domestic abuse in Connecticut. She initially came up to Vermont to move in with a sister, but said she wasn't able to stay. She believes she will persevere but is concerned about others in the motel. "I live day by day."

There are about 2,800 people living in hotels and motels scattered around Vermont as part of a program the state ramped up significantly—with federal funding—to reduce Covid-19 transmission hazards to homeless people early in the pandemic. Three years later, officials in the state are trying to wind this down, marking a highly visible version of an issue that worries homeless advocates around the nation: the effect of dialing back pandemic-era safety nets, from hotel-room shelters to eviction moratoriums.

A major step for Vermont is looming Thursday, when roughly 800 people will lose eligibility for housing in hotel rooms. State officials say they want to get people into more stable housing with better connections to social services, from job training to addiction treatment. Advocates for the homeless, and local officials bracing for people spilling out of hotel rooms, are concerned many people will wind up on the streets for lack of options.

"We are gearing up, sadly, with camping supplies," said Rick DeAngelis, co-executive director at Good Samaritan Haven, a shelter operator already at capacity in the Barre area.

The issue has been contentious as the deadline nears. Vermont Legal Aid filed a lawsuit Tuesday on behalf of homeless people staying in hotels seeking an injunction to block the state from halting the emergency-shelter benefits. A judge scheduled a hearing for early Thursday, a Legal Aid spokeswoman said. Last week, the state announced changes that it says will delay the exits for the vast majority of people in another group, one that includes disabled people and families with children, who were previously slated to lose hotel rooms on July 1.

The state estimates its expanded hotel shelter program cost more than $190 million through May 1, after leaning on federal funding that has since run out. The state plans to revert to tighter eligibility rules for the hotel program.

There is widespread acknowledgment that Vermont has a serious housing shortage that squeezes out vulnerable people. "The root cause for many continues to be the affordability crisis we face across the state," Republican Gov. Phil Scott said Friday.

Rebecca Duprey, 40, who has been living at a hotel with her 12- and 14-year-old boys since late February, has been struggling to find an apartment. She said she is on disability due to a traumatic brain injury caused by domestic abuse.

"It's very limited, and it has been difficult and it's very discouraging," she said. Duprey, among the plaintiffs in the new lawsuit, believes she would face the loss of her hotel room on July 28 under recently changed rules unless she finds a place to rent beforehand.

Vermont's homeless numbers have surged, in part because using hotel rooms has made some homeless people more visible, according to advocates.

The governor said hotel residents haven't been well connected to social services and that these facilities have become public safety concerns requiring a lot of police attention. "After three years it's clear that it's not working as well as it needs to," he said, regarding the pandemic-era program.

Democratic House Speaker Jill Krowinski has faulted the Scott administration for not coming up with a comprehensive transition plan sooner. Because the governor vetoed budget legislation on Saturday, citing unrelated concerns, some Democrats and Progressives—its own party in Vermont—plan in an upcoming veto session to again push for hotel-room funding that the Democratic-led legislature hasn't added thus far.

The governor defended the state's approach, which he and other officials said included early outreach to hotel residents and efforts to speed up housing development.

Burlington, Vermont's largest city, plans this week to propose opening a shelter if the state can provide staffing help, said Mayor Miro Weinberger, a Democrat.

Hesitance Greets Rollout of New Vaccines

By Jared S. Hopkins

Vaccine makers are confronting a post-Covid conundrum: New shots are taming a widening range of diseases, but people are more skeptical of them than ever.

The newest vaccine, from **Pfizer** for a deadly respiratory virus known by the acronym RSV, was approved in the U.S. on Wednesday. Its green light follows clearance of the first RSV shot from **GSK** in May and a pneumonia shot from **Merck** & Co. last year. Meantime, new vaccines for HIV, Lyme disease and other pathogens are in the works.

Drugmakers see a fresh opportunity in protecting people from infectious diseases, after the pandemic underscored its moneymaking potential and scientific advances like messenger RNA technology made more inoculations possible.

Yet companies are preparing to introduce the shots after resistance to vaccination reached new highs during the pandemic, according to health experts and studies.

Covid-19 vaccination mandates sparked pushback in some quarters, while misinformation sowed doubts and fears about the shots and fatigue with repeat inoculations set in. Support also tended to fall along political lines, opinion polls indicated.

Some 79% of Americans recently surveyed reported confidence in vaccines, according to a new preprint study by researchers at the Vaccine Confidence Project, a group that monitors trust in vaccines worldwide, compared with about 93% before the pandemic. The level of support is lowest since at least 2015.

"We're going to have our work cut out for us to help people understand these new RSV products," said Dr. Kelly Moore, chief executive of Immunize.org, a nonprofit that works to increase vaccination rates.

Pfizer wins approval for RSV shot but selling the public on the need gets harder.

Vaccines guarding against devastating diseases such as polio, smallpox and whooping cough have been among modern medicine's greatest achievements. A select few—like Pfizer's top-selling Prevnar pneumonia vaccine and GSK's Shingrix shingles shot—have also been commercial juggernauts.

After the coronavirus struck, many people around the world eagerly waited for Covid-19 shots. They came in record time thanks to the new, messenger RNA technology. Pfizer and Moderna rang up tens of billions of dollars in sales.

RSV, which stands for respiratory syncytial virus and grabbed widespread attention when cases surged last fall and winter, has emerged as an hotbed of vaccine activity. The virus infects nearly everyone at some point, usually causing mild, cold-like symptoms for most. Yet it can lead to serious health problems, such as difficulty breathing and pneumonia, for infants and older adults.

Each year in the U.S., RSV leads to up to 160,000 hospitalizations and 10,000 deaths among adults 65 years of age and older, according to the Centers for Disease Control and Prevention.

Drugmakers struggled for years to find a RSV shot that worked safely. One prototype harmed some children during testing in the 1960s. Others didn't generate much of an immune response. Scientific advances in recent years, including a specially designed protein that triggers a better immune response, paved the way for the latest shots.

The Food and Drug Administration approved Pfizer's vaccine, named Abrysvo, for the prevention of lower respiratory tract diseases such as pneumonia and bronchitis caused by RSV in people 60 years and older.

Moderna and Bavarian Nordic also are working on RSV shots.

Man Sentenced in Upstate N.Y. Limo Crash

By Jimmy Vielkind

SCHOHARIE, N.Y.—The man who rented out the limousine involved in one of the state's deadliest recent vehicle crashes was sentenced Wednesday to between five and 15 years in prison, capping a yearslong legal battle that has captivated upstate New York.

Nauman Hussain, 33 years old, was convicted in May of 20 counts of manslaughter for his role in the October 2018 crash that killed 20 people on a country road southwest of Albany. The victims include 17 friends who chartered the limousine for a birthday party, the driver and two people who were struck in the parking lot of the Apple Barrel Store + Café.

The incident wrought a swath of grief in and around this community and rounds of finger-pointing among Hussain, state agencies and federal authorities. It has attracted the interest of a member of Congress who is pushing the Federal Bureau of Investigation to release details about the defendant's father, Shahed Hussain, who was a confidential informant for the FBI in the wake of Sept. 11, 2001, terrorist attacks.

The saga had so many twists and turns that Wednesday's sentencing almost didn't happen. Schoharie County District Attorney Susan Mallery, overwhelmed by a complicated case against a well-funded defendant, reached a plea deal with Nauman Hussain in September 2021 that would have allowed him to avoid prison time.

WTEN/ASSOCIATED PRESS

Nauman Hussain was taken into custody after his sentencing Wednesday in a Schoharie, N.Y., courtroom.

A new judge, Supreme Court Justice Peter Lynch, said in August that he wouldn't honor the plea agreement and threatened Hussain with jail time. After an unsuccessful lawsuit to force the second judge to abide by the initial deal, the trial started in May and lasted several weeks. Jurors convicted Hussain on their second day of deliberations.

For more than an hour in court Wednesday morning, relatives of the people who died in the crash told Lynch about the impact the crash has had on their lives. Mothers spoke of never meeting grandchildren. Siblings described the traits of their loved ones.

"This trial, which was a long time in coming, was an incredibly difficult journey," said Kevin Cushing, whose son Patrick Cushing was one of the victims. "It's greed. Simply greed. It makes me and my family sick to know that a $2,000 brake repair would have avoided this tragedy."

Hussain's lawyer Lee Kindlon said he plans to appeal the verdict and on Wednesday expressed sympathy for the victims and their families. During the trial, Kindlon said Hussain was misled by a repair shop that said it performed brake work that never occurred. Cushing and other families are suing the repair shop, which has denied it was at fault.

Hussain was working as the manager of Prestige Limousine when he rented the stretch SUV to a group of friends who wanted to travel to a brewery near Cooperstown, N.Y., to celebrate the 30th birthday of Amy Steenburg in October of 2018. The vehicle had just failed a required inspection because of faulty brakes, but a warning sticker was removed, prosecutors said.

The brakes failed as the large vehicle went down a hill in Schoharie County, the National Transportation Safety Board found, and it was traveling more than 100 miles an hour when it crashed into a ravine next to the Apple Barrel store.

But it was Shahed Hussain who purchased the vehicle and operated it without the proper registration, starting in 2016, according to a report from the state inspector general. New York's departments of transportation and motor vehicles missed several opportunities to get the limo off the road, the report found.

Around the same time, Shahed Hussain was working as an FBI informant—a fact that Kindlon said might have contributed to missteps by state officials. Kindlon unsuccessfully pushed to subpoena FBI Director Christopher Wray as part of the trial.

U.S. Rep. Elise Stefanik (R., N.Y.) has twice questioned Wray about Shahed Hussain during House committee hearings.

CRAIG HUDSON/REUTERS

FBI Director Christopher Wray testifies before a Senate subcommittee hearing in May.

GOP Lawmakers Step Up Threats Against FBI Director

By C. Ryan Barber And Sadie Gurman

WASHINGTON—Top Republican lawmakers on Wednesday escalated threats to hold FBI Director Christopher Wray in contempt over what they view as his stonewalling of a congressional investigation into the business dealings of President Biden and his family.

Following a phone call with Wray, Rep. James Comer of Kentucky and Sen. Chuck Grassley of Iowa assailed the FBI director for not turning over a document that the House Oversight Committee subpoenaed as part of its investigation into the Biden family's business dealings. Comer, chairman of the House Oversight Committee, and other Republicans have said the FBI record contains allegations that Joe Biden engaged in a bribery scheme with a foreign national during his vice presidency.

Wray offered to provide lawmakers a chance to view the information "in a secure manner to accommodate the committee while protecting the confidentiality and safety of sources and important investigative sensitivities," the FBI said.

"The FBI has continually demonstrated its commitment to working with the Committee to accommodate its request," the bureau said, adding that it would continue to cooperate.

Comer said he was insisting that the bureau produce the document to the House committee.

"If the FBI fails to hand over the FD-1023 form as required by the subpoena, the House Oversight Committee will begin contempt of Congress proceedings," Comer said in a prepared statement.

In response to the statements Wednesday, White House spokesman Ian Sams said, "This silly charade by Chairman Comer is yet another reminder that his so-called 'investigations' are political stunts not meant to get information but to spread thin innuendo and falsehoods to attack the president."

Comer rejected a request from the committee's top Democrat, Rep. Jamie Raskin of Maryland, to participate in Wednesday's call. Raskin arranged a separate call with Wray.

"It is increasingly clear that Committee Republicans have always planned to hold Director Wray in contempt of Congress to distract from the obvious fact that they do not have evidence to support their unfounded accusations against President Biden, " Raskin said in a statement after the call. "This latest political maneuver underscores Chairman Comer's determination to use the Committee to help former President Trump's reelection efforts and pander to extreme MAGA Republicans."

SEC Chief Dealt With 9/11, Enron

By Mark Maurer And Richard Vanderford

OBITUARY
HARVEY PITT
1945-2023

Harvey Pitt, who served as chairman of the Securities and Exchange Commission in the early 2000s, died on Tuesday at 78 years old, his family said.

Pitt, born in Brooklyn, N.Y., ran the U.S. securities regulator from 2001 to 2003 under President George W. Bush, leading the agency's response to market disruption from the 9/11 attacks and its rule making in the wake of the accounting scandal at energy company Enron.

He served as chairman for a turbulent 18 months, including three months following his resignation as a successor was sought. Pitt had faced pressure over failing to inform the White House or fellow commissioners that William Webster, his pick to head the SEC's then-new audit watchdog, the Public Company Accounting Oversight Board, had served as chairman of the audit committee of a company that had a run-in with its accounting firm.

The Sarbanes-Oxley Act of 2002 created the PCAOB in response to accounting scandals at Enron and other now-defunct firms.

Before serving as the SEC's chairman, Pitt was a longtime lawyer for the accounting industry. He was a partner at Fried, Frank, Harris, Shriver & Jacobson from 1978 to 2001. Before that, he served as SEC general counsel from 1975 to 1978, following previous roles at the regulator.

It was one of Pitt's greatest dreams to come back later in his career to chair the agency, the current five SEC commissioners said in a statement Wednesday. "Even in the past year, he has made himself available to offer advice and continued to submit comment letters on our rule making proposals," the commissioners said.

Sen. Menendez Met With Subject Of Federal Probe

By Corinne Ramey, James Fanelli and Summer Said

Sen. Bob Menendez hosted a 2018 meeting in his Washington, D.C., office with a New Jersey businessman who is a focus of a federal public-corruption probe of the Democratic lawmaker that has broadened in recent weeks, according to people familiar with the matter.

The meeting, which hasn't been previously reported, came months before the businessman, Wael Hana, secured a contract with Egyptian officials for certifying halal meat exports. The contract is a key part of the probe examining whether Menendez, who chairs the Senate Foreign Relations Committee, or his wife received gifts in exchange for political favors.

Nadine Arslanian, who married Menendez in 2020, attended the 2018 meeting along with Egyptian diplomats and a New Jersey lawyer who is an associate of Hana, according to the people who know of the event and a photo reviewed by The Wall Street Journal that shows attendees posing with the senator in his office.

That year, Egyptian President Abdel Fattah Al Sisi and his military council decided they wanted one company to control all imports of halal meat, as part of a broader effort to increase the military's control on the Egyptian economy, according to senior Egyptian officials. Hana, a U.S. citizen and Egyptian national, had limited experience with halal certification before winning the contract with Cairo.

Months later, in May 2019, Hana's company became the sole certifier of halal meat exported from the U.S. to Egypt, according to the U.S. Department of Agriculture.

A spokeswoman for Menendez declined to answer questions about the meeting. She referred to a previous statement by a Menendez adviser who said Menendez was aware of the investigation.

The senator said in a CNN interview in April that he believes the investigation will lead to nothing. "If anyone looks at my history on Egypt, they would know that by both denying aid to Egypt, denying arms sales to Egypt, criticizing its human-rights records, I am not in a position to be helpful to anyone as it relates to Egypt," he said.

A lawyer for Arslanian declined to comment. The Egyptian embassy didn't respond to a request to comment. A spokesman for the U.S. attorney's office in Manhattan declined to comment.

A spokeswoman for Hana said his company has performed flawlessly and was awarded the contract "without any assistance whatsoever from Senator Menendez or any other U.S. public official."

Hana first drew scrutiny on this matter in 2019, when federal investigators executed search warrants at his home and office, according to court filings. A lawyer for Hana said in 2020 court filings that prosecutors told him Hana wasn't a target of the investigation.

The current investigation, run out of the U.S. attorney's office for the Southern District of New York, is separate from one which led to earlier federal corruption charges against Menendez. His 2017 trial ended in a mistrial after the jury couldn't reach a verdict. Federal prosecutors opted to not retry him after a judge issued a partial acquittal on some of the charges. Menendez maintained his innocence.

Prosecutors investigating Menendez recently began broadening the probe by examining a real-estate deal involving developer Fred Daibes, an associate of Hana and Menendez who has donated to the lawmaker's campaigns, according to other people familiar with the matter.

The real-estate deal involves an Edgewater, N.J., property owned by Daibes, the people said. According to public records in Bergen County, the property drew a $45 million investment from Heritage Advisors, a London-based firm led by a member of the Qatari royal family. It couldn't be learned why prosecutors investigating Menendez were interested in the transaction or whether it had anything to do with the senator.

A representative of Heritage Advisors didn't respond to a request for comment. A lawyer for Daibes declined to comment. Menendez's spokeswoman declined to comment.

Manhattan federal prosecutors recently subpoenaed North Bergen Mayor Nicholas Sacco, seeking records involving Daibes, Arslanian and proposed state legislation that could have affected some of Daibes's developments, according to a person familiar with the matter. A spokesman for Sacco, who confirmed the subpoena, said the mayor wasn't a target of the probe and intends to cooperate fully. NBC earlier reported the subpoena.

Christie, Pence, Burgum Set to Join White House Race

By John McCormick

Former New Jersey Gov. Chris Christie is among at least three new entrants expected to join the 2024 Republican presidential field next week, as campaigning for the party's nomination has intensified and become more combative.

Aides to Christie, former Vice President Mike Pence and North Dakota Gov. Doug Burgum all indicated to The Wall Street Journal that they are planning announcements.

A large field could boost the prospects of former President Donald Trump securing the party's nomination, if a crowded contest leads to a more splintered vote. The announcements will come after a flurry of activity this week in Iowa and New Hampshire, the two states that will kick off the balloting for the primary contest early next year.

Christie, whose intentions were reported earlier by Axios, is expected to make his announcement Tuesday at an event in New Hampshire, which tends to favor more moderate candidates. He focused his 2016 presidential bid there as well, but finished sixth in the state's primary and dropped out of the race.

The former two-term governor is known for his willingness to throw a political punch, with Trump being his most recent target. A U.S. attorney in New Jersey before he was governor, Christie is also known as a skilled debater. Polls of the field of current and potential GOP primary candidates have shown Christie in the low single digits.

Burgum is planning a June 7 announcement in Fargo, N.D., people familiar with his plans told the Journal last week.

Pence, who has also registered in the single digits in early polls, is expected to focus heavily on Iowa. He has long been popular among social conservatives and evangelical Christians, groups that dominate the state's GOP caucuses.

Others already in the race include Florida Gov. Ron DeSantis, former South Carolina Gov. Nikki Haley, former Arkansas Gov. Asa Hutchinson and Vivek Ramaswamy, a biotech company founder.

CHARLES KRUPA/ASSOCIATED PRESS

Former New Jersey Gov. Chris Christie is known as a skilled debater, but he is polling in the low single digits.

JPMorgan Clash Over Epstein

Continued from Page One

ally abusing girls in 2006 and pleaded guilty in 2008 to soliciting and procuring a minor for prostitution. He subsequently spent time in a Florida jail and registered as a sex offender.

Dimon was deposed Friday in the legal fight. The CEO said that he had no recollection of reading news stories about Epstein or discussing Epstein's accounts. He said other executives, including the bank's general counsel, should have reviewed Epstein's activity and had the authority to end the bank's relationship with Epstein, according to a transcript of his deposition that was unsealed Wednesday.

"I don't recall knowing anything about Jeffrey Epstein until the stories broke sometime in 2019," Dimon said. "And I was surprised that I didn't even—had never even heard of the guy, pretty much, and how involved he was with so many people."

Dimon doesn't believe such conversations with Staley ever happened, a JPMorgan spokeswoman said. "There is no evidence that any such communications ever occurred—nothing in the voluminous number of documents reviewed and nothing in the nearly dozen depositions taken, including that of our own CEO," the spokeswoman said. "The one person who claims this to be true is currently accused of horrific acts and dishonesty."

A lawyer for Staley, who left JPMorgan in 2013, declined to comment.

The statements arose as part of a pair of lawsuits against the bank in a federal court in Manhattan. The government of the U.S. Virgin Islands and an unnamed woman, who said she was abused by Epstein, sued JPMorgan last year, claiming that the bank facilitated Epstein's alleged sex trafficking.

The bank has sought to pin the bulk of the relationship on Staley and sued him, claiming he misled executives about Epstein. The bank in its lawsuit identified Staley as the "powerful financial executive" accused of sexual assault by the woman who is suing JPMorgan. Staley's lawyers have said the allegations against him are baseless.

Epstein was arrested in 2019 on federal sex-trafficking charges. He died in jail later that year while awaiting trial.

JPMorgan has said that the lawsuits have no merit and that it didn't know about Epstein's alleged sex trafficking before he was arrested in 2019. Staley has denied he knew about Epstein's alleged trafficking and said he regrets his friendship with Epstein.

Epstein became a JPMorgan client around 1998, and, over the years, the bank came to manage dozens of Epstein-related accounts containing hundreds of millions of dollars, according to the lawsuits.

Epstein formed a close bond with Staley, who ran the private bank that catered to the firm's wealthiest clients and later oversaw its investment bank, according to the lawsuits.

In 2008, a few weeks after Epstein's guilty plea, a JPMorgan employee sent an email that suggested Dimon would review the Epstein relationship, according to the Virgin Islands lawsuit. The email states, "I would count Epstein's assets as a probable outflow for '08 ($120mm or so?) as I can't imagine it will stay (pending Dimon review)."

The bank has said there is no record of such a review and that Dimon doesn't recall one.

Epstein had one meeting scheduled with both Dimon and Staley, on March 2, 2010, according to documents viewed by the Journal. The JPMorgan spokeswoman said the meeting wasn't on Dimon's calendar and Dimon didn't attend.

In his deposition, Dimon said it was General Counsel Stephen Cutler's job to approve or terminate Epstein as a client and that other JPMorgan executives, including Mary Erdoes, could have also terminated the bank's relationship with Epstein.

Lawyers asked Dimon about an email from 2011 in which Cutler wrote that the bank shouldn't do business with Epstein. "This is not an honorable person in any way. He should not be a client," Cutler wrote.

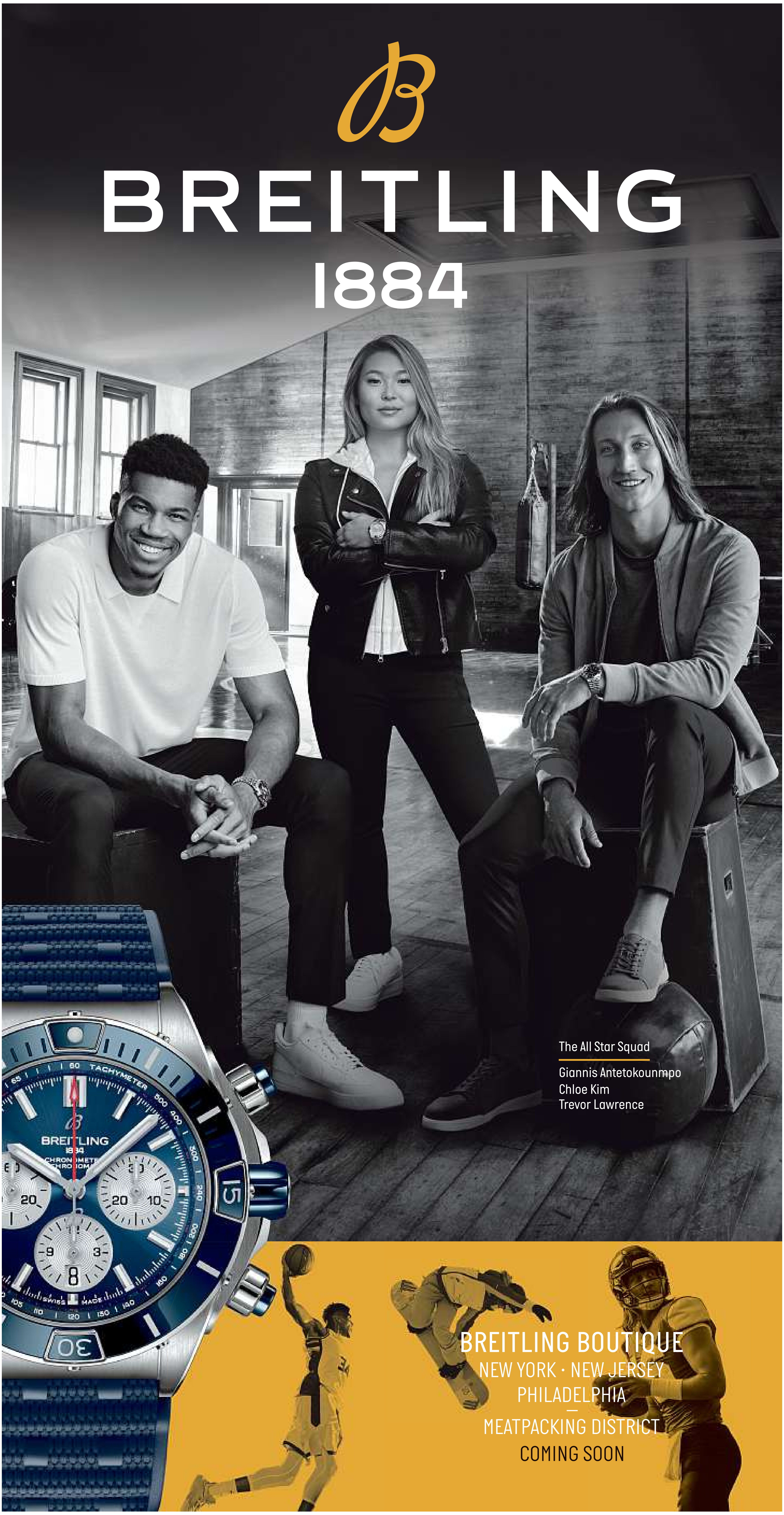
When asked why Epstein remained a client, Dimon said about Cutler, "If he allowed them to make that judgment, it's because he didn't step in and say, you have to go. But he could have done that."

Dimon also said he thought Cutler and Erdoes were "trying to do the right thing."

Cutler, whose office was next to Dimon's for several years and left JPMorgan in 2018, declined to comment. Erdoes also declined to comment.

"Conveniently, each banker points a finger at the other," said Brad Edwards, a lawyer representing the woman suing JPMorgan. "Regardless how unbelievable the finger-pointing or purported lack of knowledge is, responsibility rests with the bank."

Epstein remained a client of JPMorgan after his guilty plea, and top executives continued to meet with Epstein as JPMorgan's compliance department pressured the bank to drop Epstein, the Journal has reported. JPMorgan has said it cut off Epstein's accounts in 2013.


BREITLING
1884
The All Star Squad
Giannis Antetokounmpo
Chloe Kim
Trevor Lawrence
BREITLING BOUTIQUE
NEW YORK · NEW JERSEY
PHILADELPHIA
MEATPACKING DISTRICT
COMING SOON

U.S. NEWS

Job Openings Rose, Layoffs Fell in April

Workers still in high demand with firms looking to fill over 10 million positions

By Gwynn Guilford

U.S. job openings climbed in April and layoffs fell in signs that employers' demand for workers remains strong as the economy gradually slows.

Employers reported a seasonally adjusted 10.1 million job openings in April, the Labor Department said Wednesday, up from a revised 9.7 million in March. April's increase reversed three months of declines. Layoffs fell to 1.6 million in April, from 1.8 million in March.

Openings have decreased from the record 12 million in March 2022. But they remained well above the 5.7 million people looking for work in April—pointing to a solid labor market more than a year after the Federal Reserve began aggressively lifting interest rates to cool the economy and tame inflation.

"Demand is still strong and the labor market is very active," said Dawn Fay, operational president at job recruiting firm Robert Half. "We're not really seeing any pockets of weakness."

Job openings increased at retailers, warehouses, health-care businesses and transportation. Vacancies declined at factories, real-estate firms, and state and local governments.

'Hoarding labor'

The job market has gradually cooled from earlier red-hot growth as the economy bounced back from the pandemic, but it remains strong. Payrolls grew robustly in April, and unemployment was low. Jobless claims, a proxy for layoffs, are near historic lows. The Labor Department is set to release its May employment report Friday.

The number of times workers quit their jobs held roughly steady at 3.8 million in April, a sign that workers are confident in their ability to find a new job.

"Businesses are clearly hoarding labor, particularly in retail and leisure and hospitality," said Ryan Sweet, chief U.S. economist at Oxford Economics. "If you get laid off, you're finding work very, very quickly."

More recent private-sector figures show labor demand easing steadily, though from a high level. Postings on the job site Indeed.com by mid-May were 30.6% above prepandemic levels in February 2020, down from a peak in December 2021 when Indeed openings were up more than 60%.

The April job openings and layoffs report comes ahead of the Federal Reserve's monetary-policy meeting on June 13-14, where officials are increasingly likely to hold interest rates steady. The Fed in May lifted its benchmark federal-funds rate by a quarter percentage point to a range between 5% and 5.25%. Some Fed officials have said recently that inflation and economic activity aren't easing enough to justify an end to rate increases. But Fed Chair Jerome Powell and others have hinted they might prefer skipping a rate increase in June to assess the impact of their past increases and banking-sector strains.

Economic activity was mostly stable in April and early May, buoyed by increases in consumer spending and manufacturing activity, according to the Fed's Beige Book, a periodic roundup of anecdotes from businesses released separately Wednesday. The report added the labor market cooled some but continued to be strong. Some businesses, however, said they had paused hiring or cut staff amid economic uncertainty.

Pessimism grows

Despite steady job gains, Americans are growing more pessimistic about economic growth, which slowed in the first quarter. Consumer confidence fell in May for the second straight month, driven by increased pessimism about the availability of jobs, the Conference Board, a business research firm, said on Tuesday.

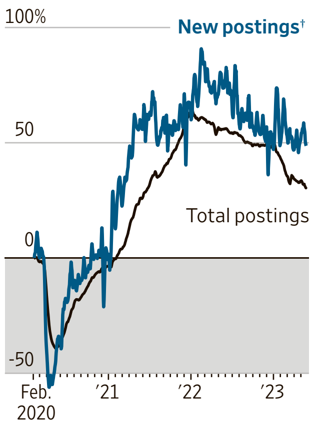
"Their assessment of current employment conditions saw the most significant deterioration, with the proportion of consumers reporting jobs are 'plentiful' falling," Ataman Ozyildirim, senior director of economics at The Conference Board, said Tuesday.

Alysia Williams, 30, said openings were few and competition was stiff when she started looking for a job last fall, after quitting a substitute teaching position in Tallahassee, Fla., to make more time for part-time coursework in pre-veterinary medicine.

Ms. Williams said she delivered takeout food during her job search, before landing a summer position in Wooster, Ohio, doing lab and field work for a research project at Ohio State University. "Now my job prospects are looking a whole lot better—I'll be getting hands-on experience in the lab and in the field, and the pay is way better than what I had been getting."

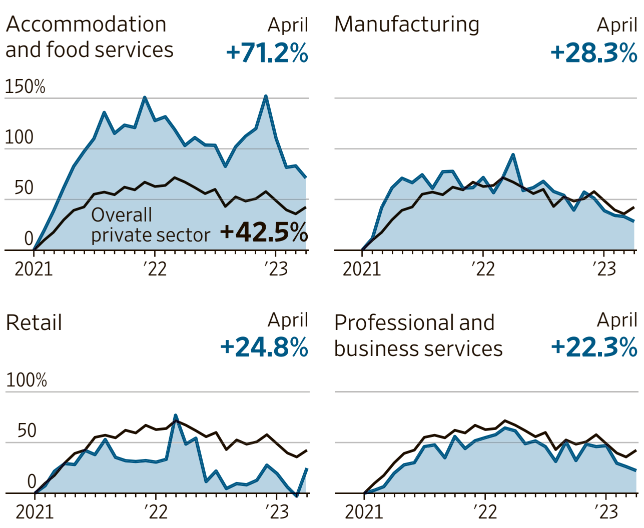
◆ Heard on the Street: Job market bodes ill for stocks B12

Change in U.S. job postings tracked by Indeed.com since February 1, 2020*



*Seven-day trailing average. †Postings listed on Indeed.com for seven days or less.
Note: Seasonally adjusted

Job openings by industry, change from January 2021



Sources: Indeed.com (postings); Labor Department (openings)

U.S. WATCH

SPENCER PLATT/GETTY IMAGES

MACHINE-MADE: A robot called 'ADAM' fixed a cup of coffee Wednesday at Botbar in Brooklyn, N.Y.

WEST VIRGINIA

DOJ Sues Businesses Of Governor's Family

The Justice Department is suing coal businesses owned by the family of West Virginia Gov. Jim Justice over allegations they failed to pay more than $5 million in civil penalties for mining violations.

The suit was filed Tuesday against Justice's adult son, James C. "Jay" Justice III, and 13 coal companies he owns or operates. His father, a Republican, is campaigning for the U.S. Senate seat now held by Democrat Joe Manchin.

The suit alleges the businesses failed to pay fees assessed by the Interior Department for more than 130 violations between 2018 and 2022 that caused health and safety risks and harm to the environment.

A lawyer for the younger Justice and a spokesman for the governor, who isn't listed as a defendant, didn't respond to requests for comment.

—*Sadie Gurman*

TEXAS

Interim Attorney General Is Appointed

Gov. Greg Abbott on Wednesday appointed John Scott to temporarily serve as Texas' attorney general after the House of Representatives voted to impeach Ken Paxton, a Republican, over allegations of misconduct and crimes.

The historic impeachment triggered Paxton's automatic suspension from office pending the outcome of a trial in the state Senate that could result in his permanent removal. The Senate has set the trial to begin no later than Aug. 28.

Scott, an attorney, has previously worked in the attorney general's office and recently served as Texas secretary of state. Abbott appointed him as the state's chief elections officer in October 2021 and he served until December 2022, when he left the post before the state Senate would vote to confirm his appointment.

—*Associated Press*

OKLAHOMA

Abortion Still Largely Illegal, Despite Ruling

The Oklahoma Supreme Court ruled that two laws banning abortion are unconstitutional, but the procedure remains illegal in the state in nearly all cases except life-threatening situations.

In a 6-3 ruling Wednesday, the court said the two bans are unconstitutional because they require a "medical emergency" for a doctor to perform an abortion. The court said this language conflicts with its March ruling that the Oklahoma Constitution provides an "inherent right of a pregnant woman to terminate a pregnancy when necessary to preserve her life."

"Despite the court's decisions today on SB 1603 and HB 4327, Oklahoma's 1910 law prohibiting abortion remains in place," Oklahoma Attorney General Gentner Drummond said. "Except for certain circumstances outlined in that statute, abortion is still unlawful in the state of Oklahoma."

—*Associated Press*

Fed Sets Up June Pause, Hike Later

Continued from Page One

"We've come a long way in policy tightening, and the stance of policy is restrictive, and we face uncertainty about the lagged effects of our tightening so far and about the extent of credit tightening from recent banking stresses," he said. "Having come this far, we can afford to look at the data and the evolving outlook to make careful assessments."

Some central-bank officials, including two committee voters and two nonvoters, had recently signaled support for continuing to raise rates because inflation and economic activity haven't slowed sufficiently.

Two other voters had indicated they would be open to either an increase or a skip. "I can make the argument either way," said Minneapolis Fed President Neel Kashkari in a May 19 interview. "I would object to any kind of declaration that we're done."

Investors in interest-rate futures markets began to expect a June rate increase late last week because of comments from more officials who favored one and from data pointing to stronger consumer spending in April. Investors saw a roughly 35% chance of a June rate increase after Jefferson and Harker spoke Wednesday, down from 70% right before, according to CME Group.

"Markets may have put too much weight on the number of people as opposed to what we've heard from the leadership and especially from Powell," said Jan Hatzius, chief economist at Goldman Sachs. "What we heard from Powell [on May 19] seemed to set the stage for a pause."

Wednesday's comments come just days before the start this weekend of the Fed's traditional premeeting quiet period, when policy makers refrain from discussing their economic and policy outlook.

The remarks hinted at potential Fed discomfort with how investors had begun to anticipate a rate rise in June. Forgoing an increase that had become widely anticipated by investors would risk sending a confusing signal about the Fed's resolve to bring down inflation.

"If a rate increase is priced at 60% or 70% on the day of the meeting, then it would be a bit of a narrative challenge" to not raise rates, said Hatzius. "That's probably not a comfortable place to be."

The recent mixed messages highlight potentially difficult deliberations ahead around tactics on a policy-making committee that has shown little public disagreement over the past year.

> **'At some point, we've got to sit for a while,' said Philadelphia Fed President Harker.**

In early March, a surprisingly resilient economy led Powell and other officials to signal they would likely need to lift rates to at least 5.5% to durably bring inflation back to their 2% target. But a run on deposits at Silicon Valley Bank on March 10, which toppled the bank and two other midsize lenders, scrambled that calculus.

Instead, officials concluded they might not need to raise rates as high as otherwise because a potential credit crunch could effectively substitute for Fed rate increases.

"The presumption should be that this is going to have a tightening effect on the economy, and we definitely should take that into account for setting the monetary policy," said Chicago Fed President Austan Goolsbee, a voting member, in a May 19 interview.

Banking stresses have calmed in recent weeks, and economic activity hasn't shown much evidence so far of any fallout from tighter lending standards.

Cleveland Fed President Loretta Mester, who doesn't vote on monetary policy this year, signaled more skepticism with the idea of skipping a rate increase because she said once she had concluded higher rates were likely needed to slow the economy, it makes sense to go ahead. "I would push back on this 'waiting until we get more information' [argument] because there's always more information," she said in an interview last week.

On Wednesday, Harker said he saw evidence that labor market imbalances were easing and inflation was moving in the right direction. "We cannot try to slam on the brakes really hard in my view," he said. "At some point, we've got to sit for a while."

In projections released after the Fed's meeting in mid-March, most anticipated the Fed could hold rates steady once they reached today's level, but a significant minority anticipated rates would need to rise higher.

Officials are expected to release new projections at their June meeting. The evolving strategy around skipping a June hike suggests more officials could see a July increase as appropriate, which would move up the median projection of the peak rate to around 5.4%. That would be a 22-year high.

U.S. Births Held Flat in 2022

By Anthony DeBarros

About 3.66 million babies were born in the U.S. in 2022, essentially unchanged from 2021 and 15% below the peak hit in 2007, according to new federal figures released Thursday.

The provisional total—3,661,220 births—is about 3,000 under 2021's final count, according to the Centers for Disease Control and Prevention's National Center for Health Statistics. Final government data expected this year could turn that small deficit positive.

Experts have pointed to a confluence of factors behind the nation's recent relative dearth of births, including economic and social obstacles ranging from child care to housing affordability.

Absent increases in immigration, fewer births combined with continuing baby-boomer retirements will likely weigh on the labor force supply within the next 10 years, said Kathy Bostjancic, chief economist at Nationwide, an insurance and financial-services company.

"You're going to have a real shortage of workers unless we have technology somehow to fill the gap," Bostjancic said.

A look at the trends:

1. The government tallied about 655,000 fewer births in 2022 than at the 2007 high of 4.32 million, reflecting continuing decreases. Coupled with still-elevated deaths partly because of the latter part of the Covid-19 pandemic, the U.S. in 2022 saw only about 385,000 more births than deaths. The 2022 total may tick higher when final data is tallied this year. Final 2021 births were about 5,000 above the provisional number; for 2020.

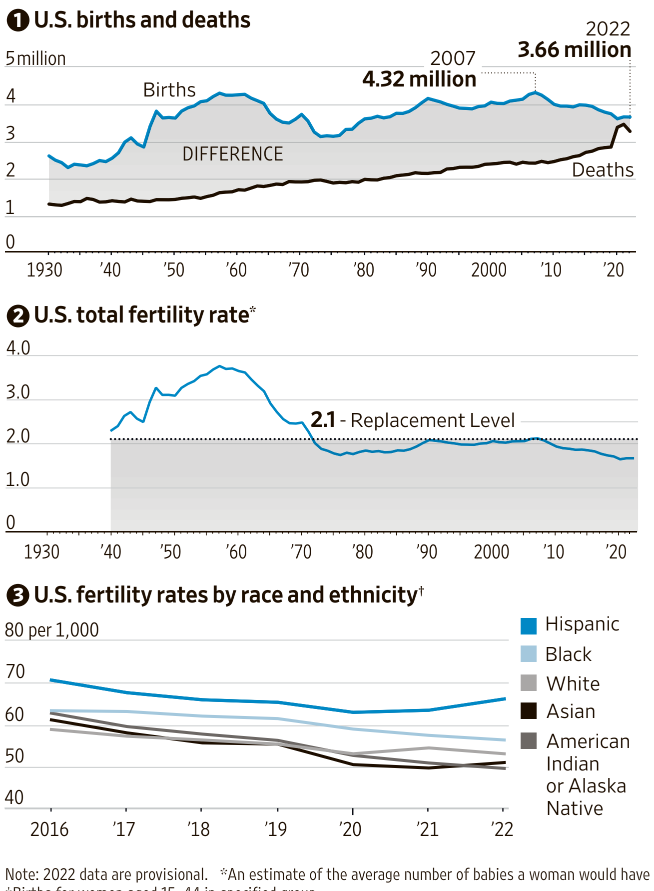
2. The total fertility rate—closely watched because a level of 2.1 children per woman is the "replacement rate" needed for a population to maintain current levels—was 1.665 in 2022, essentially unchanged from 1.664 in 2021 and only a slight recovery from a record low in 2020.

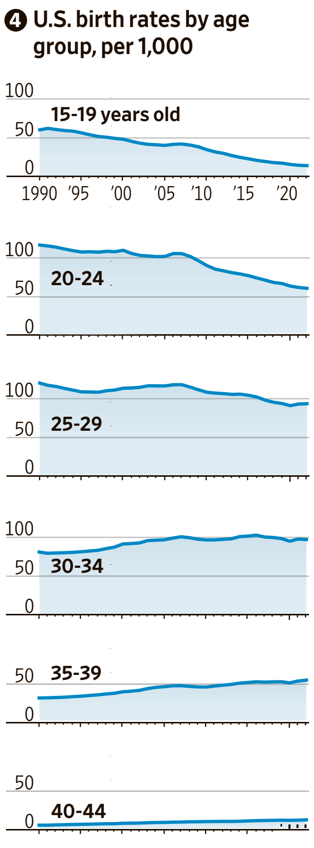
The U.S. has generally been below replacement level since the early 1970s.

3. The general fertility rate for Hispanic mothers increased 4% in 2022, second only to people of Native Hawaiian or other Pacific Islander origin. Fertility rates among Asian women rose 3%; rates for all other groups fell.

Hispanic mothers accounted for 25.5% of U.S. births in 2022, a record, while the shares of births from non-Hispanic white and Black women declined. White women accounted for 50.1% of births in 2022, Black women for 13.9%, and Asian women for 6%.

4. The trend of decreasing birthrates among younger women continued in 2022. For teens ages 15 to 19, the birthrate fell 3%, and for ages 20 to 24 it was down 2%. The rate for the next oldest group, 25 to 29, edged up only slightly. Increases were mainly seen among women 35 to 44. If trends continue, the birthrate for women ages 35 to 39 may soon eclipse the rate for ages 20 to 24.





Note: 2022 data are provisional. *An estimate of the average number of babies a woman would have in her lifetime
†Births for women aged 15–44 in specified group
Source: Centers for Disease Control and Prevention

WORLD NEWS

India's GDP Expands 6.1%

Country faces big test in creating jobs for the millions of people entering workforce

By Vibhuti Agarwal And Shan Li


IDREES MOHAMMED/EPA/SHUTTERSTOCK

A man carries bananas to sell at a market in Chennai, India. Officials are trying to curb food prices.

NEW DELHI—India's economy grew 6.1% in the fiscal fourth quarter compared with the year-earlier period, as domestic demand for goods and services picked up and consumer confidence, while still lower than before the Covid-19 pandemic, continued to strengthen.

The South Asian country also reported gross-domestic-product growth for the full fiscal year of 7.2% compared with the previous year. India's central bank in April raised its growth forecast for the current fiscal year to 6.5% from 6.4%.

Authorities have been working to combat elevated food prices that have increased costs for households around the world since Russia's invasion of Ukraine last year. Inflation eased in the January-to-March quarter to between 5.5% and 6.5%, after hitting 7.8% in April 2022.

"Domestic demand in India is doing better than the rest of the world," said Sujan Hajra, chief economist at Anand Rathi Securities in Mumbai. The reason, he said, was improved income growth and higher consumer spending.

Hajra said since India, unlike other major economies, didn't implement large-scale fiscal-stimulus programs during the pandemic, it has avoided the negative impact from the withdrawal of those programs.

Many economists predict India will continue to be one of the world's fastest-growing economies, but creating jobs remains a major challenge.

The unemployment rate jumped to 8.1% in April, the fourth consecutive month of higher jobless rates, according to the Centre for Monitoring Indian Economy, an independent think tank in Mumbai. Prime Minister Narendra Modi is seeking to expand manufacturing jobs as global supply chains shift and companies diversify out of China.

A monthly survey by India's central bank shows consumer confidence has improved. In March, 75% of those surveyed said they had boosted their spending, compared with 64.1% in the year-earlier month.

Sales of vehicles, which is a key indicator of consumer demand, have also grown. India's total passenger-vehicle sales volume grew 17% in January, 11% in February and 4.7% in March from the same period a year ago, according to the Society of Indian Automobile Manufacturers.

Usha Goel, 64 years old, who lives in the northern city of Bareilly, said she has been spending more in recent months on groceries and household help, even with higher prices.

Last week, Goel hired a new helper for her home. She and her husband, a retired professor, eat out at least once every two weeks. They are planning to buy a car and hire a driver.

"We don't want to compromise anymore," she said. "We want to live a comfortable life."

Iranian Stockpile Of Uranium Grows

By Laurence Norman

Iran's stockpile of highly enriched uranium grew by over a quarter in the three months to May, the International Atomic Energy Agency reported, adding to concerns over the speed with which Tehran is accumulating 60% highly enriched uranium that can be quickly converted into weapons-grade material for nuclear weapons.

U.S. officials have said it could take Iran as little as 12 days to have enough fuel for a bomb.

But the Islamic Republic has also taken its first steps in several years to improve the United Nations atomic agency's oversight of its nuclear work, the IAEA said Wednesday. Iran's decision to provide the agency with more oversight of certain aspects of its nuclear work and to address some specific questions the IAEA had about Iran's activities suggests the space for a diplomatic solution to Iran's nuclear work remains open.

The IAEA's confidential reports, circulated to member states on Wednesday, come after efforts by the Biden administration to revive the 2015 nuclear deal appear to have failed. That agreement placed strict but temporary limits on Iran's nuclear activities. The Trump administration took the U.S. out of the deal in 2018, arguing it wouldn't stop Iran from acquiring a nuclear weapon.

U.S. officials continue to insist they are seeking a diplomatic route to avoid a conflict over Iran's nuclear work. Washington is still examining a range of options to prevent Tehran from developing a nuclear weapon, U.S. officials have said in recent weeks.

Iran says it has never sought to build a nuclear weapon and that its nuclear work is for entirely peaceful purposes. However, since the U.S. left the nuclear accord, it has vastly expanded its nuclear activities.

In one of two reports sent to member states, the IAEA said Tehran had stockpiled 114 kg of highly enriched uranium as of May 13, an increase of 27% over the previous three months. That is roughly enough to fuel at least two nuclear weapons.

Iran also now has close to two metric tons of lower-grade enriched uranium, including 470 kg of 20% enriched uranium, which can be converted into highly enriched uranium in several weeks, experts say.

U.S. officials have said they have no evidence that Iran is working on building a weapon.

China's Recovery Slows as Factory, Services Activity Recedes

By Stella Yifan Xie

HONG KONG—China's factory activity contracted for a second straight month while growth in the services sector slowed, the latest signs that the country's reopening growth momentum is struggling to take hold.

An official gauge of the country's manufacturing activity slipped unexpectedly to 48.8 in May, falling deeper into contractionary territory even as the broader economy has been unshackled from zero-Covid rules.

The purchasing managers index remained below the 50 line that separates expansion from contraction for a second straight month, falling short of April's 49.2 result and the 49.7 forecast by economists surveyed by The Wall Street Journal.

Meanwhile, services activity softened in May from the previous month, a worrying sign that the segment of the economy now driving the rebound may be losing momentum.

The official gauge of nonmanufacturing purchasing managers index, which covers service and construction sectors, remained in expansion territory, but pulled back to 54.5 in May from 56.4 the previous month, China's National Bureau of Statistics said Wednesday.

The pullback came despite a promising snapback in tourism during a five-day-long national holiday in May.

Taken together, the weaker-than-expected numbers on factory and services activity point to a tepid and short-lived post-Covid economic rebound. That is particularly concerning given the host of structural problems, such as debt pressures and an unfavorable demographic outlook, that economists say threaten the country's longer-term growth potential.

Despite logging relatively robust gross-domestic-product growth of 4.5% in the first quarter, China's economy is still facing a host of challenges, including record youth unemployment. Property investment remains sluggish, pointing to subdued demand.

One question for China is whether domestic demand will be able to increase to a degree to offset any slack in overseas orders that is expected to keep hammering factory output. Subindexes of the manufacturing PMI tracking new orders and new export orders contracted further in May compared with a month earlier.

◆ U.S. manufacturers seek alternatives to China............ B1

Drones Strike Oil Refineries in Russia

BY MATTHEW LUXMOORE

VIACHESLAV RATYNSKYI/REUTERS

Ukrainian forces battle Russian troops in the eastern Donetsk region. Moscow has sought to bolster defensive lines across the front in Ukraine's east and south.

KYIV, Ukraine—Drones struck two oil refineries in southern Russia on Wednesday, as Western officials said Moscow was moving to shore up defenses in border areas and along the 900-mile front with Ukraine ahead of a planned counteroffensive by Kyiv.

Authorities in Russia's Krasnodar region said the Ilyinsky oil refinery was largely unaffected by a suspected drone attack, but a blaze at the Afipsky refinery engulfed more than 1,000 square feet of territory likely as a result of a drone, according to regional governor Veniamin Kondratyev, who said no one was injured.

The frequency of drone attacks on Russian infrastructure and military targets far beyond the front line has increased in recent weeks. Moscow mostly has blamed Ukraine, and military analysts have described the assaults as part of so-called shaping operations, setting the stage for a wider counteroffensive by Kyiv's forces.

Ukrainian leaders have denied direct involvement in such operations.

On Tuesday, a wave of drones hit residential buildings in Moscow for the first time since the war began, with several downed in a neighborhood near one of President Vladimir Putin's residences.

Afterward, Putin praised the Russian capital's air defenses, though added that there was room for improvement.

Western officials say such attacks come as Russia loses the initiative in the conflict, with Moscow increasingly reacting to Ukrainian offensives.

Russia has recently sought to bolster defensive lines across the front in Ukraine's east and south as Kyiv says it is completing preparations for its offensive, which is expected to involve brigades with soldiers trained in the West and using modern equipment supplied by Ukraine's allies.

As Moscow struggles to consolidate control over Bakhmut—the eastern Ukrainian city it captured in May in its first significant victory since last summer—Russia has been launching almost nightly drone-and-missile attacks against Ukrainian cities to deplete Kyiv's air defenses and weaken its capacity to defend its citizens. But Western officials say the campaign has been unsuccessful.

The U.S. Wednesday announced another $300 million in military aid to Ukraine, including Patriot munitions and other air defense equipment, as well as more artillery and tank shells and other equipment including mine clearing systems. The U.S. has committed $18.7 billion in military equipment to Kyiv from existing stocks and ordered almost $6 billion in new supplies. In total, the U.S. has provided Ukraine more than $37.6 billion in security assistance since Russia's invasion.

Western officials say Russia's military resources are being used to shore up border areas in Belgorod, Bryansk and other regions that have been targeted by drone attacks and an incursion by Ukrainian-backed troops.

Meanwhile, in a video address on Tuesday night, Ukrainian President Volodymyr Zelensky said Ukraine was pushing for extra support for its own air defenses from its Western allies. He said he had spoken to German Chancellor Olaf Scholz on Tuesday about the need for more assistance.

—Georgi Kantchev contributed to this article.

Watch a Video

Scan this code for a video on the challenges to maintain U.S. M1 Abrams tanks.

Russians Tap Black Market to Get Their Money Out

BY YULIYA CHERNOVA AND CHELSEY DULANEY

Russians plowed money into black-market dollars and filled bank accounts abroad in recent months, a response to persistent economic anxiety about the war in Ukraine and worries that the situation might only worsen.

Money left Russia in the months after the February 2022 invasion, even as the West cut off much of Moscow's access to dollars and euros. But rather than returning to prewar levels, the outflows have kept up this year, according to central-bank data, fueled by on-the-ground concerns about Moscow's economic troubles and the departure of Russian men avoiding conscription.

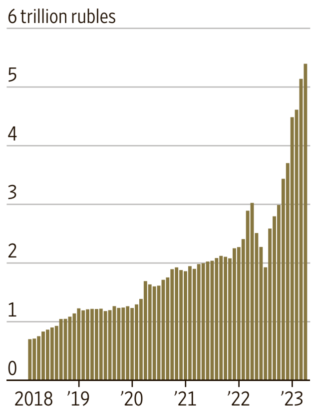
Russian households' deposits in foreign banks have more than doubled since the start of the war to 5.4 trillion rubles, $67.3 billion, as of April. The monthly flow of rubles into foreign-currency accounts offshore is running at more than five times prewar levels.

The continued outflows stand in contrast with how Kremlin officials portray the resilience of the Russian economy, which they say took a hit, but has adapted well to Western sanctions. Economists in the West are split on whether Russia's economy will return to growth this year or shrink as it did in 2022. But most agree the war and isolation have created long-term damage.

Russians have flocked to informal currency traders to swap rubles into foreign currency. Others have found refuge in the banking systems of neighboring countries such as Georgia, Kazakhstan and Armenia, where they can still have dollar accounts and Visa cards. Some have turned to crypto to get their money out of Russia.

For Stepan Ermakov, an investor and financial blogger who lives in St. Petersburg and spends part of his time abroad, the chase to move his savings out of Russian banks began on Feb. 24, 2022, the day Russia invaded Ukraine. Ermakov says he stalked ATMs that were getting refilled at night in St. Petersburg and withdrew U.S. dollars until the Russian central bank set limits.

Russian households' money held in foreign banks



Source: Central Bank of Russia

He hasn't stopped. He has been shifting U.S. dollars from his Russian account at Austria's Raiffeisen Bank International to a brokerage account in the U.S., as well as bank accounts in Armenia and Georgia.

"Keeping everything in rubles is dangerous. One scenario is the devaluation of the ruble in order to fill the sagging budget revenues from the oil and gas sector," he said.

Russians cite a confluence of reasons why they move their money beyond the grasp of Russia's currency and banking system. The ruble has slid 8% this year against the dollar as energy sanctions begin to bite. Western powers have expanded the number of Russian banks targeted with sanctions, further restricting options for foreign transactions. Moscow has relaxed capital controls imposed in the days after the war started to stem financial chaos, but many are fearful that they could be reimposed.

"Uncertainty in the Russian economy is as high as ever. This means potential losses, in terms of your wages, your business proceeds, and you need to be safe because the 'rainy day' is pretty probable," said Sofya Donets, a Russia economist at investment bank Renaissance Capital, who expects households to move an additional $30 billion into foreign banks this year.

Capital flight hasn't yet become a concern for policy makers in Moscow, Donets said. Russia still brings in substantial foreign currency from oil sales. It runs a current-account surplus, a broad measure of trade, though the levels of those surpluses are shrinking from last year's highs as Western energy sanctions crimp oil revenues.

Russia eased some of the rules against taking money out of the country that it imposed at the start of the war. In part, the restrictions worked too well: The ruble went on a world-beating rally as an energy windfall also brought in foreign currency.

Nevertheless, limits on withdrawals and banks' reluctance to part with the foreign currency mean Russians have few practical options for getting dollars or euros.

Hundreds of thousands of Russians, particularly men seeking to escape the draft, have left the country and brought their money with them. Some Russian firms moved abroad. Russians also have set up foreign accounts in preparation for trips—or in case they want to immigrate—and to buy goods and services not available in Russia.

Cryptocurrencies, which operate mostly outside the regulated banking system, also have emerged as a method of capital flight. Gregory Shevchenko, a marketing entrepreneur in Moscow, needed to pay for a business license in the United Arab Emirates. He paid the equivalent of $8,000 in rubles to lawyers in Moscow, who said they used crypto to make the cross-border payments.

Shevchenko also transfers rubles to his account in Freedom Bank in Kazakhstan, where he buys dollars. He uses the Mastercard issued by the Kazakh bank to pay for software for his business and for travel expenses. "It's a cushion, also I'm a man of draft age," he said about keeping his money in Kazakhstan.

A Moscow businessman said he visits money-exchange places. He can sell an unlimited amount of rubles for dollars, no questions asked, he said. He takes a 10% haircut on the official exchange rate, but he gets his money out of the reach of political whims, he said. "You can keep it at home. You can dig a hole in the woods and keep it there," he added.

Wanted By U.S., He Fled Italy

Continued from Page One

just the head of our state, he is a man with a big and open heart," the elder Uss said.

Italy had approved Artem Uss's extradition to the U.S., where he faced criminal charges for violating sanctions on military technology and oil as well as money laundering and, if found guilty, up to 30 years in prison. Uss said the charges were politically motivated.

The U.S. Embassy in Rome said it was disappointed that Uss had been able to flee. Privately, U.S. officials were frustrated by Italian authorities' failure to explain to them what went wrong, a person familiar with the matter said.

"Certainly there were anomalies," Prime Minister Giorgia Meloni of Italy said after Uss's escape. Among them, she said, was the judges' decision to keep him under house arrest for questionable reasons and to maintain the decision even when there was a decision on extradition."

Italy's failure to prevent Uss's escape raised suspicions about possible corruption, collusion or pro-Russian agendas in parts of the government or judiciary.

"The truth is much more banal. But it's also much more serious," a person familiar with the events said.

This account, based on documents and interviews with Italian officials and other people, shows how Uss's escape stemmed in part from an overburdened justice system where imprisonment is seen as a measure of last resort.

In addition, Rome underestimated Uss's importance to Moscow and Washington and didn't take enough precautions, some legal experts said.

"There could have been other ways to monitor Artem Uss effectively, even in house arrest. I am shocked that didn't happen," said Stefano Maffei, a law professor and extradition expert at the University of Parma. Uss's international connections created a high escape risk, he said.

Artem Uss's main business was imports and exports, from oil to semiconductors. In early 2022, U.S. law enforcement began gathering evidence that Uss and a business partner had been using a Germany-based trading company to smuggle Venezuelan oil, and to export sensitive U.S. dual-use technology to Russia. That included microchips used in ballistic missiles, fighter aircraft and smart munitions, some of which have been found on the battlefield in Ukraine.

An undated photo of Artem Uss from his social media.

The fugitive's father, a director of state oil giant Rosneft, has worked closely with Rosneft boss Igor Sechin, one of the oligarchs closest to Putin. The Uss family's business interests span the globe. Last year, the U.S. added Uss senior and Artem, 41, to its list of people and entities under sanction for "harmful foreign activities" of the Russian government.

On Oct. 17, Italian police arrested Artem Uss at Milan's Malpensa Airport as he prepared to board a flight to Istanbul. German police arrested his business partner. Breon Peace, the U.S. attorney for the Eastern District of New York, described the defendants as "criminal enablers of oligarchs." A lawyer for the business partner couldn't be reached to comment. German authorities said the man remains in custody and their extradition proceedings are continuing.

Uss was taken to a prison in a Milan suburb. The U.S. asked Italy to keep it that way. The Justice Department told the Italian Justice Ministry in a letter that there was a "clear and substantial risk of escape," Justice Minister Carlo Nordio later told Parliament. Days later, U.S. officials sent the same message to the court in Milan that was responsible for Uss's detention and extradition, Nordio said.

On Nov. 25, a panel of three judges at the Milan court approved Uss's request to be moved to house arrest. Prosecutors didn't appeal.

The Justice Department's attaché at the U.S. Embassy in Rome wrote to the Justice Ministry, asking Italian authorities to reconsider. The letter noted that six people wanted for extradition to the U.S. had escaped from house arrest in Italy in the previous three years alone. The government said it shared the letter with the judges. The judges didn't comment.

The Justice Ministry replied that decisions on whether to grant house arrest were up to the judges. To reassure the U.S., the ministry said Uss had to wear an electronic ankle monitor, and that in Italy's justice system, "house arrest is in every way equivalent to being kept in pretrial custody."

Under Italian legislation and case law, "it would have been strange had he not been granted house arrest," said Nicola Canestrini, an Italian lawyer who has defended more than 100 people subject to extradition requests. Six of his clients left Italy before the final ruling on their case, including two who were wanted in the U.S.

In early December, Uss began his house arrest in an upscale gated community near Milan. He was allowed a mobile phone, internet access and visitors. Carabinieri military police checked on him several times a day. Italian intelligence didn't keep Uss under surveillance, people familiar with the matter said.

On March 22, the day after the Milan court approved the U.S. extradition request, Uss disappeared. His ankle bracelet alerted Carabinieri at 1:52 p.m. that he had left the building. By the time police arrived, it was too late.

A gang of Serbian criminals helped to ferry him out of Italy, one of the people familiar with what happened said.

Uss switched cars at least once and crossed several borders on his way to Serbia, from where he is believed to have flown to Moscow, people familiar with the events said.

"I am in Russia! In these past few particularly dramatic days I had strong and reliable people by my side," Uss told Russian state news agency RIA Novosti on April 4. "The Italian court, whose impartiality I initially counted on, demonstrated its obvious political bias. Unfortunately, it is ready to buckle under the pressure of U.S. authorities," he said.

—Aruna Viswanatha and Georgi Kantchev contributed to this article.

WORLD NEWS

U.A.E. Says It Left U.S.-Led Force Targeting Iran

BY DION NISSENBAUM
AND BENOIT FAUCON

The United Arab Emirates said it has pulled out of a U.S.-led multinational security force that works to counter Iran in the Middle East, where the Persian Gulf nation has expressed disappointment with American efforts to deter Tehran.

The U.A.E. on Wednesday said it withdrew two months ago as part of its assessment of "effective security cooperation" in the Middle East.

Led by the top U.S. admiral in Bahrain, the coalition—known as the Combined Maritime Forces, or CMF—brings together 38 nations that work together to combat Iranian attacks on commercial ships, weapons smuggling and piracy. The coalition, which includes the U.K., France, Saudi Arabia, Qatar and Germany, is the largest such maritime security force in the world.

> Emirati officials say they are unhappy with regional security after seizure of ships.

Two months ago, U.S. officials said, the U.A.E. pulled its representatives from the coalition's headquarters in Bahrain, but didn't indicate it was doing so because of any dissatisfaction with American-led security efforts.

Cmdr. Tim Hawkins, a spokesman for the U.S. Navy's Bahrain-based Fifth Fleet, which oversees the military coalition, on Wednesday said the U.A.E. is still a member of the group and that participation ebbs and flows, depending on various needs.

The U.A.E. announcement came a day after a Wall Street Journal article about the nation's frustrations with American efforts to protect commercial ships from Iranian attacks.

Emirati officials in May told U.S. officials that they were unhappy with American-led security efforts in the region, after Iran seized two oil tankers near the Strait of Hormuz on April 27 and May 3, American and Gulf officials said.

One tanker was carrying a shipment of Kuwaiti crude oil to Houston for Chevron, while the second was transiting between the Emirati port cities of Dubai and Fujairah.

In particular, the seizure of the second ship—which had left Dubai—incensed U.A.E. officials because it fed the impression that the U.S. and its allies couldn't protect commercial traffic in the Persian Gulf, the officials said.

One American official compared the U.A.E.'s response to its angry reaction in January 2022, when the U.S. was slow to come to the Gulf nation's aid after Iran-backed Houthi militants in Yemen launched a deadly drone attack at the U.A.E. capital of Abu Dhabi that killed three people.

That Houthi strike led to months of increased political tensions between Abu Dhabi and Washington.

As part of the U.S. military response to Iran's seizure of the tankers, an American guided-missile destroyer and Emirati Navy vessel sailed together last week in the Gulf of Oman outside the Strait of Hormuz. At the same time, American and Qatari military personnel took part in a joint surveillance patrol over the strait in a Navy plane.

Officials at the Foreign Ministry didn't respond to requests for clarity about the announcement.

WORLD WATCH

ERIC GAILLARD/PRESS POOL

CENTENNIAL CELEBRATION: Students in Monaco release doves during a ceremony to mark the birth of the late Prince Rainier III.

TRADE DEAL

U.K. Hails Australia, New Zealand Accord

The U.K. government hailed an era of cheaper Australian wine and New Zealand kiwi fruit as free-trade agreements with the two Southern Hemisphere nations took effect Wednesday.

U.K. Business and Trade Secretary Kemi Badenoch said that the start of the first all-new trade deals that Britain has struck since it left the European Union marked "a historic moment." Economists, however, said the economic effect would be limited. Trade expert David Henig called the new deals "a bit of a nothingburger."

The pacts remove tariffs on most goods, streamline some regulations and make it easier for Britons to work Down Under, and for Aussies and Kiwis to work in the U.K. Britain marked the occasion by sending the Australian and New Zealand governments care packages of products it hopes will get an export boost, including Welsh whiskey and English gin.

—*Associated Press*

SUDAN

Military Suspends Participation in Talks

Sudan's military suspended its participation in talks with a paramilitary force it has been battling for weeks for control of the northeastern African country, a military spokesman said Wednesday.

The development was a blow to the U.S. and Saudi Arabia, who have been mediating between the two sides.

Brig. Nabil Abdalla, a spokesman for the Sudanese armed forces, said the move is a protest against the Rapid Support Forces' "repeated violations" of the humanitarian cease-fire, including their continued occupation of civilian infrastructure in the capital, Khartoum.

Sudan descended into chaos after fighting erupted in mid-April between the military, led by Gen. Abdel Fattah Al-Burhan, and the RSF, commanded by Gen. Mohamed Hamdan Dagalo. The fighting has killed at least 866 civilians and wounded thousands more, according to the Sudanese Doctors' Syndicate.

—*Associated Press*

KOSOVO

International Efforts To Halt Crisis Intensify

International efforts to defuse a crisis in Kosovo intensified Wednesday as ethnic Serbs held more protests in a northern town where recent clashes with NATO-led peacekeepers sparked fears of renewed conflict in the region.

Hundreds of Serbs repeated at a rally their demand for the withdrawal from northern Kosovo of the special police and ethnic Albanian officials who were elected to mayoral offices in votes overwhelmingly boycotted by Serbs.

The rising tensions have fueled concern about another war like the 1998-99 fighting in Kosovo that claimed more than 10,000 lives.

Working to avert any escalation, European Union officials met with Kosovo Prime Minister Albin Kurti on the sidelines of a conference in Slovakia. The leaders of France and Germany announced plans to meet top Serbia and Kosovo officials on Thursday at a summit in Moldova.

—*Associated Press*

LATVIA

Foreign Minister Becomes President

Latvian lawmakers on Wednesday picked the country's long-serving and popular foreign minister, a strong backer of Ukraine, as its new head of state in a tight vote.

The 100-seat Saeima legislature elected Edgars Rinkevics, the country's top diplomat since 2011, as president to serve for a four-year term. He received 52 votes, one vote more than required to win. Incumbent Egils Levits, Latvia's head of state since 2019, didn't seek re-election.

Rinkevics, who announced in 2014 that he is "proudly" gay, will be the first openly gay president in the Baltic nations—all former Soviet republics where attitudes to sexual minorities have been less tolerant than in Western Europe.

His closest rival, businessman Uldis Pilens, got 25 votes in the third round of voting between the two remaining contenders after the third candidate, Elina Pinto, dropped out of the race.

—*Associated Press*

FROM PAGE ONE

Clip This Article and Mail It

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larly passed around articles on shared interests or to settle arguments in I-told-you-so missives. Parents often mailed clippings as thinly veiled advice or criticism to grown children.

Joe Coscia's mother still mails him clips from her local paper in Niagara Falls, N.Y. Coscia, a 39-year-old middle-school math teacher, grew up there and now lives with his wife and two sons in King George, Va.

The most recent clip from his mother was an obituary for his former barber, which struck him as thoughtful and somewhat odd. "We talk on the phone once a week," he said, "but she didn't mention it to me at all. I found out through the mail."

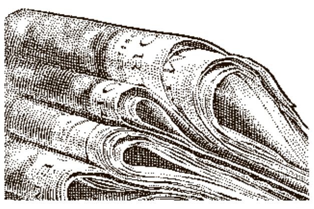
Coscia's mother once sent him a clipping of an advice column suggesting parents not bring babies to restaurants, he said. She had joined Coscia and his wife at a restaurant just two weeks earlier. Coscia's oldest son had had colic and cried through the whole meal.

"She was very concerned about the people around us," Coscia recalled. The clip, he said, "was her way of saying, 'Aha, I told you!' "

For years, Marshall Burkhart said his 67-year-old father mailed him clips of editorials from various publications, hoping to broaden his political views. While it doesn't always work, "it always puts a big smile on my face," said Burkhart, 33, an executive at a healthcare startup in the Boston area. These days, his father uses his phone's camera to send digital copies of the articles. They are impossible to read, he said, but nonetheless represent "the evolution of my dad."

Shirley Finney, 80, of East Hartford, Conn., sends clippings from two local papers in envelopes adorned with heart-shaped stickers, or ones of cowboy hats and boots if she's mailing her grandson. To save on postage, Finney tries to include more than one clipping, which she cuts out using her grandmother's pinking shears to make zigzag edges.

Among the articles Finney has sent her daughter was one about how to protect dry cat food from mites. Finney recently cut out a comic strip



from the Hartford Courant and included it with a check to her utility company to express frustration with the expensive total. The joke: the inventor of electricity also invented the electric bill. "I am a frugal woman," she said.

Article clipping and sharing dates back to the early 1800s, when newspapers started mass production in urban areas, said Eric Lehman, an English professor at the University of Bridgeport, in Bridgeport, Conn. People would cut out and mail stories, as well as advertisements, to relatives in rural areas who pasted them into scrapbooks. "It was like curating a Facebook page," Lehman said.

Sharing information online "seems impersonal now to us," he added. That might explain why some people refuse to drop the clipping habit.

When Beth Larimer's three children went off to college, she mailed them newspaper articles, a habit she picked up from her mother and grandmother. "You have a better chance of them reading something because you've taken the time to mail it," she said.

Now that her children are out of school and working full time, Larimer, 59, leaves newspaper clippings in their old bedrooms to read when they visit their childhood home in Brentwood, Tenn. "Sometimes they chuckle at me, which is fine," she said.

Larimer's youngest son, Jack Larimer, a researcher for an asset-management firm in West Hartford, Conn., was visiting for Christmas and found an article about the condition of the U.S. economy waiting for him on his old bedside table. "It stirred a debate," he said. "My mom and I enjoyed it."

Peter Butkus said his father's decadeslong clipping habit meant that the morning newspaper when he was a kid sometimes looked more like Swiss cheese if you slept too late. "You'd have to get up pretty early to get a mint-condition newspaper," he said.

The elder Butkus takes pride in his clipping routine. While articles may be outdated by the time the envelope arrives, he said, "You're glad to get it because A, it's not junk mail, and B, more importantly, it's not a bill."

Pollution Litigation To Begin

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sick from drinking the water.

Stuart's lawsuit is now one of more than 4,000 against 3M and other companies. Stuart is one of 300 cities seeking to recover the cost of filtering the chemicals out of water. Many other lawsuits allege personal injuries from exposure to the foam.

Stuart, which bills itself as the Sailfish Capital of the World, has been chosen by plaintiff and defense attorneys as the first case to go to trial. Jury selection is set to begin June 5 in federal court in Charleston, S.C., where the cases have been consolidated.

3M and the other companies have said in legal filings that the chemicals haven't been shown to cause health problems at the levels being discovered in drinking water.

"As the science and technology of PFAS, societal and regulatory expectations, and our expectations of ourselves have evolved, so has how we manage PFAS," 3M said. "We will continue to fulfill our PFAS remediation commitments and address litigation by defending ourselves in court or through negotiated resolutions, all as appropriate."

The company said that "PFAS are safely made and used in many modern products" but that it will no longer manufacture the chemicals by the end of 2025 because of increased regulations focused on reducing their presence in the environment.

Leading up to the Stuart trial, 3M has argued in court filings that the city is seeking "wildly inflated damages."

Presiding Judge Richard Gergel said at a hearing that the case could represent "an existential threat" for the companies if the trial doesn't go their way. Industry analysts have estimated the potential liability from firefighting-foam cases at more than $15 billion for 3M alone. 3M didn't comment on that estimate.

SYDNEY WALSH FOR THE WALL STREET JOURNAL (5)

Stuart, Fla., is suing chemical companies over drinking water it says was tainted by firefighting foam, which crews sprayed on the ground during training, according to Fire Chief Vincent Felicione. Above right, a vat of foam labeled "Danger Hazardous Chemicals."

Man-made

PFAS are man-made chemicals and were once renowned for their ability to resist heat, water, grease and stains. In recent years, hundreds of the compounds have been used to produce a wide range of goods, from nonstick pans to semiconductors. For years, Stuart's firefighters used foam containing the chemicals in training exercises.

The chemicals accumulate in people, and industries from clothing to cosmetics and fast food are eliminating them from products amid mounting evidence linking PFAS to cancers and other health problems. Some states are moving to ban the chemicals entirely.

In March, the Environmental Protection Agency proposed the first-ever federal limits on six PFAS chemicals that are showing up in drinking water. The regulation, if adopted, could require water utilities that collectively serve up to 90 million people to install costly filtering systems, the agency said.

In November, the EPA described PFAS chemicals as "an urgent public health and environmental issue facing communities across the United States." In many cases, the presence of PFAS in drinking water has been traced to industrial discharges and landfills—and firefighting foam.

As the trial approaches, the sides are presenting vastly different accounts of the chemicals' risks and who should pay for cleaning them up.

"If you ask the plaintiffs' counsel, they would say, 'This is like one of the greatest environmental tragedies in the history of man,' " the judge said during a hearing. "And the defense lawyers said: 'I'll drink it by the bottle, and it won't hurt us.' "

At the edge of a field behind Stuart's ocean blue and teal firehouse sits a large plastic vat draped in a tarp. A sign reads "Danger Hazardous Chemicals," a warning about the 150 gallons of foam the city has yet to dispose of.

From about 1990 through early 2016, Stuart firefighters trained nearly once a week with what is called aqueous film-forming foam, which included PFAS in its ingredients. In hundreds of sessions, crews sprayed the foam on a field, blanketing the ground as they would for a fuel-driven fire or a large fuel spill, said Fire Chief Vincent Felicione.

Afterward, he said, they hosed the foam down to keep it from blowing into yards and watched as it sank into the ground.

In 2013, the EPA began requiring water systems of a certain size to test for PFAS. Subsequent testing revealed that all 26 of Stuart's municipal wells had detectable levels of the chemicals. The city took the three wells with the highest levels offline and notified residents about the situation.

Like hundreds of other cities, Stuart officials said they didn't initially know how PFAS had gotten into the water. The area had dealt with water issues before. But they stemmed from agricultural runoff that caused toxic algae to cloud the river and its tributaries.

At the firehouse

An environmental consulting firm found the highest levels of the chemicals near the main firehouse and a second firehouse where training with the foam also took place. It concluded they would continue to leach into the drinking water supply for years.

The chemicals were also discovered in private wells at a trailer park near a retirement community called Leisure Village. Florida's Department of Environmental Protection began hauling in bottled water for residents.

Stuart allocated funds to build a new filtration system. It also hired a lawyer to look into getting the chemical companies to foot the bill.

The town, the seat of a heavily Republican county, was hardly a hotbed of environmental activism. But in early 2018, the city commission voted to sue 3M and other companies that sold it firefighting foam.

The city is suing for roughly $115 million. That includes $3 million spent to build the filtration system, another $2 million to expand it, plus $80 million to operate the system for the next 40 years and $30 million to clean up contaminated soil.

Chemical companies were already facing litigation. In 2017, DuPont had agreed to pay $670 million to settle 3,600 claims by West Virginia and Ohio residents alleging that cancer and other ills they contracted resulted from one particular PFAS chemical, called PFOA, in their water. The contamination was traced to a plant that made Teflon.

> **A flood of litigation targets producers of the chemicals in firefighting foam.**

A year later, 3M agreed to pay $850 million to settle a suit by Minnesota alleging that groundwater was polluted by PFAS, dumped in landfills.

The companies didn't admit wrongdoing. But the suits unearthed a trove of internal health studies and communications about the chemicals.

Starting in the 1970s, animal studies by 3M scientists found that a type of PFAS the company had long produced, PFOS, caused effects in mice, rats and rhesus monkeys, from tremors to death, according to company memos. By the late 1970s, 3M officials realized the chemical was toxic and in the blood of the general population, according to an internal company timeline.

In a 1998 memo, a 3M scientist said a safe level for that chemical in human blood was 1.05 parts per billion, which was 1/30th the average level of it in the general population's blood supply at the time.

That year, a 3M official referred to PFOS in a memo as "insidiously toxic."

In 1998, the company submitted its toxicology studies to the EPA and informed it that PFOS was in the blood supply of the general population, which prompted the agency to begin investigating.

3M stopped producing PFOS and firefighting foam by the end of 2002. It later reached a $1.5 million settlement with the EPA to resolve 244 allegations of having failed to report information about PFOS and other chemicals to the agency. In court filings, 3M has said it hasn't withheld information about the potential health effects of PFAS from the government.

Stuart officials learned last September that the legal teams working on the thousands of suits had agreed their case should be first to trial.

As lead trial counsel, the plaintiff team chose Gary Douglas, a rock musician turned New York trial attorney. He had tried the case that led to the $670 million settlement with DuPont, after which he co-wrote a ballad about it called "Deep in the Water."

"There's never been a case that's gone to trial against 3M where the whole story is going to be told, what they knew and when they knew it and how virtually the entire planet is now contaminated," Douglas said.

3M has its own seasoned trial lawyers: Beth Wilkinson, who represented Supreme Court Justice Brett Kavanaugh during his rocky confirmation, and Brian Stekloff, who serves as national trial counsel for Monsanto in litigation over its weedkiller Roundup.

3M has argued in court that the company should be shielded from some suits over firefighting foam because it was a government contractor supporting the U.S. Navy's development of the foam, which the company describes as "a critical tool…for military service members and other first responders." 3M's attorneys recently said they wouldn't pursue that line of defense in the Stuart trial but that they still plan to discuss the benefits of the foam.

John Gardella, an attorney who advises companies about compliance with PFAS regulations, said the case is being widely watched because any verdict "will set an initial benchmark by which all other water-utility-related lawsuits on the docket will be judged."

A thousand miles from a war room set up by plaintiff lawyers in Manhattan, filled with cardboard banker boxes and exhibits, the emerging legal battle over PFAS contamination is only starting to edge into many people's awareness in Stuart.

Last fall, Stuart alerted residents that the town's water had registered one of the chemicals in amounts above the EPA's latest health advisory level for a single day. Town officials said it wasn't an emergency, but they wanted to inform people.

A few blocks from city hall, a message on a store that sells home water filtration systems reads "Stop Drinking Unregulated Chemicals." The owner said he has seen a surge in business.

Bottled water

Theresa Kudo brings jugs of bottled water to her sister at an assisted-living facility. She filters her own drinking water, but worries that's not enough.

"Filtering my drinking water doesn't help me when I'm taking a shower or a bath," she said. "We have this big bathtub outside on our back porch. I'm thinking 'Oh my gosh,' since your skin absorbs things in water or lotions, it makes me worry about soaking chemicals into my body."

Doctors recently found a benign nodule on her thyroid, Kudo said, and she can't help but wonder if PFAS might have had something to do with it. The National Academies of Sciences, Engineering, and Medicine recommended last summer that doctors screen people with high blood levels of PFAS for conditions including thyroid disease, testicular cancer and kidney cancer.

From his office, within sight of a water tower that rises over Stuart and is emblazoned with the city's name and an American flag, Mortell, the city attorney, said Stuart hadn't been looking for a fight. Now, he is figuring on a decadeslong slog to rid Stuart's groundwater of PFAS.

"We all estimate it will take longer than our lifetimes," he said. "We've got a monumental endeavor ahead of us."

Theresa Kudo buys bottled water for a sister in assisted living and filters her own, but wonders if her skin could absorb chemicals from water when she bathes. City Attorney Mike Mortell expects a long effort to clear Stuart, Fla.'s groundwater of PFAS chemicals.

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ILLUSTRATION BY DAN PAGE

Traveling This Summer? Guard Against Swarm of Pesky Fees

Keep a lookout for odd and often avoidable charges from hotels, airlines and car-rental agencies

CARRY ON
DAWN GILBERTSON

Resort fees, airline baggage and seat fees and Airbnb cleaning fees get all the hate. But they are far from the only extra charges bedeviling travelers.

Henrik Helgesen, a California-based software developer, travels frequently for work. He found three unexpected charges last week when he opened the bill for his four-night stay at a conference resort in Scottsdale, Ariz.

There was a $10 bellman gratuity fee, a daily $3 maid gratuity and a $22 credit-card processing fee.

"I was like, what the hell's all this stuff?" he says, adding that he didn't use the bell service, left the maid a $10 cash tip in his room and had never seen a credit-card fee outside a restaurant.

Fees like this might not be on President Biden's junk-fee radar, but they should be on yours.

Airlines

Changing basic economy tickets: Trying to save money on airfare in the face of steep vacation costs? Beware the fine print on those major-airline basic economy tickets. Airlines eliminated onerous change fees on most tickets during the pandemic. But passengers buying basic economy tickets still pay for changes, if they are even allowed. (The exception: Basic economy tickets are covered by the Transportation Department's rule dictating refunds within 24 hours of purchase regardless of ticket type, except for last-minute purchases.)

JetBlue charges $100 to $200 to change a basic economy ticket. United charges $99 to $199. Beginning with tickets purchased in mid-July, Alaska Airlines will subtract half the value of a basic economy ticket if you want to rebook, as long as you make changes or cancel the ticket at least 14 days before departure. That is a big improvement over its current policy: Today those tickets are useless if not used.

American and Delta passengers with basic economy tickets can't change them at all beyond the 24-hour window, even for a fee.

Booking tickets online: Yes, you read that right. Budget airlines bake an electronic carrier charge into the online ticket prices they display. Frontier charges up to $23 per passenger per flight segment. Spirit's passenger usage charge is $23 per flight segment, Allegiant's $22. All are per flight segment.

Breeze Airways calls its fee a technology development charge and it ranges from $22 to $46 one way per person based on flight distance. The fee on the airline's longest route, Los Angeles-Providence, R.I.: $92 round trip. The same charge for a flight from Charleston, S.C., to New Orleans: $56.

There is one way to dodge this fee and pay less for your tickets: Buy your tickets at the airport. The savings can add up for a family if the airport is nearby. Check the budget-airline ticket counter hours, as they are often limited. (Breeze sells tickets only on Tuesdays from 11 a.m. to 1 p.m.)

Some major U.S. airlines play the opposite game: They don't charge for online purchases but do charge a fee to buy tickets at the airport. United charges $50 per ticket, American $35 for domestic tickets.

> Avis and Hertz charge a $35 fee if electric cars are returned with a charge of less than 70%.

Checking in online: This one gobsmacked me. Frontier appears to be at least pondering an industry first: a fee to check in online.

The airline's website lists a fee of up to $5 per person each way for those who check in on its website. Yes, website. "Passengers may check in using our mobile app to avoid this fee and save time and money," it says.

Frontier spokeswoman Jennifer DeLaCruz says the airline currently isn't charging the fee and never has. She says it was likely placed on the website "in the event we would decide to implement at some point in the future."

Printing a boarding pass: Budget airlines have the corner on this one, too. Show up at the airport without a printed or mobile boarding pass and Breeze charges $3 to print one, Allegiant Air $5. Spirit and Frontier charge $25 a person for an agent to print a boarding pass or provide other services you can do at home.

Hotels

Package delivery: Need to have something delivered to your hotel during a visit? Get ready to pay up. Package acceptance or handling fees are prevalent at large hotel chains including Marriott, with prices varying by location, package weight and other factors. The J.W. Marriott Los Angeles L.A. Live hotel charges $10 per item for packages weighing 1 to 10 pounds. Heavier items cost $1 a pound.

Walt Disney World Hotels charge guests $6 per package for items. Disney's website says some guests ship items in advance to save luggage space. A Disney tips blog for military families says even with the handling fee and any delivery fees from retailers, sending packages to hotels is "much cheaper" than paying airline excess or overweight bag fees.

Car rentals

Fuel service: Read the fine print on those car rental receipts. Some travelers who filled up the tank have returned home to find a charge of about $16 on their bill from some car rental agencies, including Avis Budget Group.

A spokeswoman told me last fall that the fee is a "convenience" for travelers and automatically added unless a customer has prepaid for fuel or shows a fuel receipt to the agent upon return. How to avoid it: Don't leave the lot until you show the receipt for fuel, and make sure the final rental receipt shows no fuel service charge.

Electric-vehicle charging: Booked an electric vehicle or tempted to accept a free upgrade to one? Better make sure you return it with a solid charge. Avis and Hertz each charge a $35 fee if electric cars are returned with a charge of less than 70%.

Touristy restaurants

Making your drink cold: The fee frenzy is even coming for those vacation cocktails. One visitor to Wynn Las Vegas posted a receipt for two drinks from a hotel bar with a charge for "craft ice." The fee: $3.50.

"Welcome to Las Vegas. Where they now charge for ICE," the guest posted on Twitter.

The resort recently switched suppliers and will no longer charge for "large format" ice such as spheres and blocks, spokesman Michael Weaver says. The change could take effect as early as next week, he says.

Bad Commutes, Costly Child Care Keep Workers at Home

By Ray A. Smith And Julia Carpenter

WHAT'S STILL KEEPING American workers out of the office?

At a time when restaurants, planes and concert arenas are packed to the rafters, office buildings remain half full. Thinly populated cubicles and hallways are straining downtown economies and, bosses say, fragmenting corporate cultures as workers lose a sense of engagement.

Yet workers say high costs, caregiving duties, long commutes and days still scheduled full of Zooms are keeping them at home at least part of the time, along with a lingering sense that they're able to do their jobs competently from anywhere. More than a dozen workers interviewed by The Wall Street Journal say they can't envision returning to a five-day office routine, even if they're missing career development or winding up on the company layoff list.

Managers say they will renew the push to get employees back into offices later this year. The share of companies planning to keep office attendance voluntary, rather than mandatory, is dropping, according to a survey released in May of more than 200 corporate real-estate executives conducted by property-services firm CBRE.

A battle of wills could be ahead. The gap between what employees and bosses want remains wide, with bosses expecting in-person collaboration and workers loath to forgo flexibility, according to monthly surveys of worker sentiment maintained by Nicholas Bloom, a Stanford University economist who studies remote work.

▶ Escalating expenses

Some who have lost remote-work privileges said they are spending hundreds, or in some cases thousands, of dollars each month on meals, commutes and child care.

One supercommuter who treks to her Manhattan job from her home in Philadelphia negotiated a two-day-a-week limit to her New York office time this year. Otherwise, she said she could easily spend $10,000 a year on Amtrak tickets if she commuted five days a week.

Christos Berger, a 25-year-old mortgage-loan assistant who lives outside Washington, D.C., estimates she spends $2,100 on child care and $450 on gas monthly now that she is working up to three days a week in the office.

She and her husband juggled parenting duties when they were fully remote. The cost of office life has her contemplating a big ask: clearance to work from home full time.

Rachel Cottam, a 31-year-old head of content for a tech company,

Rachel Cottam, above, with her husband, and Christos Berger, with her husband and their two children, cite commuting costs and family time for wanting to work at home.

FROM TOP: MICAH COOK; MADELINE BAZZLE

works full time from her home near Salt Lake City, making the occasional out-of-town trip to headquarters. She used to be a high-school teacher, spending weekdays in the classroom. Back then, she and her husband spent $100 a week on child care and $70 a week on gas. Now they save that money. She even let her car insurance company know she no longer commutes and they knocked $5 a month off the bill.

Friends who have been recalled to offices tell Cottam about the added cost of coffee, lunch and beauty supplies. They also talk about the emotional cost they feel from losing work flexibility.

▶ Parent trade-offs

If pandemic-era flexible schedules go away, a huge number of parents will drop out of the workforce, workers say.

When Meghan Skornia, a 36-year-old urban planner and married mother of an 18-month-old son, was looking for a new job last year, she weeded out job openings with strict in-office policies. Were she given such mandates, she said, she would consider becoming an independent consultant.

The firm in Portland, Ore., where Skornia now works requests one day a week in the office, but doesn't dictate which day. The arrangement lets her spend time with her son and juggle her job duties, she said.

▶ Emotional labor

For some, coming into the office means donning a mask to fit in.

Kenneth Thomas, 42, said he left his investment-firm job in the summer of 2021 when the company insisted that workers return to the office full time. Thomas, who describes himself as a 6-foot-2 Black man, said managing how he was perceived—not slipping into slang or inadvertently appearing threatening through body language—made the office workday exhausting. He said that other professionals of color have told him they feel similarly isolated at work.

▶ Lost productivity

The longer the commute, the less likely workers are to return to offices.

Ryan Koch, a Berkeley, Calif., resident, went to his San Francisco office two days a week as required late last year, but then he let his attendance slide, because commuting to an office felt pointless. "I'm doing the same video calls that I can be doing at home," he said.

Koch, who works in sales, said his nonattendance wasn't noticed so long as his numbers were good. When Koch and other colleagues were unable to meet sales quotas in recent weeks, they were laid off. Ignoring the in-office requirement probably didn't help, he said, adding he hopes to land a new hybrid role where he goes in one or two days.

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ON CLOCK
CALLUM BORCHERS

When Your New Colleague Is the Boss's Kid

When executives' adult children join the team, the office can get awkward

New college graduates and student interns are out to make a name for themselves this summer. Some are arriving with names that colleagues already know. They're the adult children of top executives.

Cue the groans from co-workers.

"I can't ever remember someone being excited that the boss's kid was coming to work," says Sarah Lopez, a recruiter in Cincinnati who has worked in human resources for companies in software, construction and other industries.

Lopez has observed that office morale often slumps, at least temporarily, when a principal's progeny walks through the door. Flimsy résumés draw the biggest eye rolls, she says. Several people who've worked with managers' adult children told me that even if Junior is qualified, they can't help wondering how many other strong candidates never got full consideration. They also fear that their promotion opportunities are diminished. Scions might start at the bottom, but aren't they being groomed for leadership from the start?

Those who've joined their parents at work say they know people talk (and judge), so they have to work extra hard to prove their own merits. Sure, there are perks to being the boss's kid, but it's hard to escape asterisks on their achievements.

CEO parents who have hired their children say the key is making them work their way up and assigning them to supervisors who are willing to give unvarnished feedback. Undeniably good performance is the only way to quiet critics, they add.

The scrutiny is particularly intense this year as the term "nepo baby" has permeated the popular lexicon. It started as a TikTok meme aimed at perceived nepotism that benefits Hollywood stars' children. Now the phrase is sometimes slapped on anyone in entertainment, sports or business.

Research by Harvard University economist Matthew Staiger indicates that 29% of Americans work for a company that employs one of their parents early in their careers.

> There are perks to being the boss's kid, but it's hard to escape asterisks on their achievements.

He estimates that people who take a job with Mom or Dad earn 19% more than they otherwise would.

"Kids from high-income families are disproportionately benefiting," he says. "This is something that I think most people would say is unfair."

Staiger adds, however, that he found blue-collar workers generally enjoy the greatest income gains from familial connections. Someone without a degree or skilled trade might jump from a minimum-wage, fast-food job to a higher-paying, entry-level position at Pop's general-contracting firm, for instance.

Paying their dues

Some parents open doors, then make things especially difficult for their children. Oscar Munoz, who was chief executive of United Airlines from 2015 to 2020, says he facilitated a management-training internship for his teenage son one summer—and also assigned him to work with an airport runway crew.

"I told them, 'When animals get run over on the tarmac and somebody's got to pick them up, I want him doing that and worse,' " Munoz says.

He tells me he recalls feeling disadvantaged years earlier when he worked with an executive's son at another company. He'd rather his own son smell like a raccoon carcass than carry a whiff of entitlement.

Complacency can creep in when you think you've got it made because of your DNA, says Jay Zagorsky, who expected to become the fourth-generation leader of his family's Massachusetts mattress factory. He sweated on the floor to earn the rank-and-file's respect during summer stints but didn't treat school like someone who would have to compete to advance through the ranks. "I never studied in high school or college because I knew I was going to run the business," he says. "There was no pressure on me to get A's."

Then the factory went out of business before Zagorsky got his chance. He went back to school, tried harder this time, and ultimately earned a doctorate and became an associate professor at Boston University's Questrom School of Business.

Dealing with doubt

Zagorsky introduced me to a BU colleague, Patrick Abouchalache, who teaches a course aimed at students who hope to take over family companies. Most are humble and hardworking, Abouchalache says. They generally view being the heir as a weighty responsibility.

Only about 10% graduate straight into the family business. He says most want the experience of building a career on their own and understand that they'll have more credibility if they join a parent's company later, with a track record.

Amy Binder interned at her father's communications firm after college and excelled, according to her former supervisor. Still, the perceived advantages of being the boss's daughter contributed to her decisions to pursue an M.B.A. and eventually launch her own company, RF Binder. "It was a very different feeling because it was all mine," she says. "Whatever questions I had about my abilities, while I was working in my father's business, I didn't have anymore."

Binder was empathetic, though a little disappointed, when her daughter Rebecca Binder initially rebuffed offers to come aboard. After several years in consulting, the younger Binder relented five years ago and was named president of the firm last summer.

Amy Binder says her daughter started out reporting to another executive and had to prove she could transition to a different industry; her promotion to the helm wasn't a foregone conclusion. Binder adds it's been satisfying to watch her daughter win over the team. She also knows firsthand that a measure of skepticism is inevitable.

That's life as a nepo baby: Someone at the top sees your potential while some others see your privilege.

PHOTO ILLUSTRATION BY BEN DENZER FOR THE WALL STREET JOURNAL; SOURCE PHOTOS BY PAUL DENZER (18)

Rising Costs Prompt More People to Sell Their Inherited Homes

By Veronica Dagher

ONE OF THE FIRST things many people do when they inherit their parents' home these days is put up a for-sale sign.

Deciding what to do with a family property is often both an emotional and financial decision, but the rising costs of renovations, property taxes and utilities are making it harder for adult children to hold on to the real estate, financial advisers say. Higher home prices and mortgage rates have often also made it impractical for heirs to buy out their siblings, said Dick Stoner, a Realtor in Rockville, Md.

The high home prices of the past few years have made the decision to sell even more attractive. If inheritors can unload a house in a hot location for a high price, the proceeds from the home's sale can help secure their finances and fund goals such as retirement, advisers say.

"For inheritors, cash is king," said Paige Wilbur, Wells Fargo's head of estate services.

Leaving a home to children remains a common way to transfer wealth, according to financial advisers and estate planners.

More than three-quarters of parents plan to leave a home to their children when they die, according to a 2023 Charles Schwab survey of more than 700 American investors between the ages of 27 and 95.

Some children may be reluctant to sell for sentimental reasons, but finances and simplicity of unloading a property often win out. Nearly 70% of those who expect to inherit a home from their parents plan to sell it, the survey found.

When Heidi Whaley and her sister, Melissa Mills, inherited their parents' home, they chose to put it on the market. They recently listed the Charleston home for just below $3.5 million. The sisters, both retired, felt some sadness letting go of the home they grew up in and where their parents hosted many waterfront parties.

"My father wanted to build a house that would be strong, one which would be passed from generation to generation," said Whaley.

Both sisters are empty-nesters with their own nearby homes, and said they couldn't justify the expense of maintaining a nearly 4,000-square-foot house for the sake of fond memories.

The declining interest in keeping Mom and Dad's home is part of a broader generational trend among inheritors, estate planners say.

Some tangible assets aren't considered as valuable as they were in the past, thanks partly to changing tastes, said Wilbur with Wells Fargo's estate services.

Vacation homes and secondary properties, however, are more likely to be kept by heirs, at least for a few years, especially if it is in an appealing location, financial planners say. If multiple family members are inheriting a vacation house, there needs to be a way to split maintenance costs fairly and create a usage schedule that is to everyone's liking, said Jeff Fishman, a financial adviser in Los Angeles.

Taxes remain a key reason many heirs sell relatively soon, financial advisers say.

Heirs who wish to buy out their other siblings will want to use a reasonable method for valuing the home, said John Voltaggio, a managing director at Morgan Stanley Private Wealth Management.

The family may decide to use the value reported on the estate tax return if it is recent, or they may want to obtain a few appraisals and use an average, he said.

Those inheriting the property will also want to make sure they aren't getting in over their head financially.

A home's cost basis—which is the starting point for measuring a future taxable gain—resets to market value, typically its value at the date of death, said Eric Smith, a spokesman for the Internal Revenue Service.

Any increase in value after death is taxed as long-term capital gains, and those rates are lower than the rates on short-term gain. But if a home is sold quickly, there is likely to be little gain if any and little to no tax, Smith said.

Sisters Heidi Whaley and Melissa Mills listed their parents' home because they couldn't justify the expense of maintaining it.

ELLIS CREEK PHOTOGRAPHY

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ARTS IN REVIEW

THE HISPANIC SOCIETY (2)

The Hispanic Society Museum & Library, left, and its Sorolla Gallery, below

ARCHITECTURE REVIEW

A Modest Upgrade for a Grand Building

The Hispanic Society has reopened after a series of subtle improvements and restorations

By Michael J. Lewis

New York

IT IS A REMARKABLE testimony to the American capacity for national reconciliation that just six years after the bitter Spanish-American War a private citizen could create an institution that proclaimed to the world the glory of Spanish culture. The Hispanic Society was founded in 1904 by Archer M. Huntington, whose family's railroad fortune gave him free rein to indulge his love of Spanish art and literature. Believing that the public should have access to his private collection, he found a site at 155th Street and Broadway in New York's then fashionable Washington Heights. There he built the superb museum and library that is one of New York's triumphs of Renaissance Revival architecture.

The Hispanic Society is now looking forward to a renaissance of its own. It reopened in May having been closed since 2017. It will soon undertake a major expansion, planned by Selldorf Architects, working in collaboration with Beyer Blinder Belle and landscape architects Reed Hilderbrand. But it has now gotten off to an unexpectedly early start with what the architects jokingly call an "accidental restoration."

The vast architectural ensemble on which the Hispanic Society sits is itself somewhat accidental. Huntington built his museum and library as a freestanding object on a terrace, a jewel box in a park. But no sooner had he completed his museum than he was coaxing other institutions, on several of whose boards he sat, to join him. He would give them building sites on condition that they build within five years and on plans approved by him.

The first two were built in 1909, the Numismatic Society to the west and the American Geographical Society across the terrace to the north. The Museum of the American Indian followed in 1916, adjoining the Hispanic Society to the east. The last to build was the American Academy of Arts and Letters, added to the far west of the terrace in 1921. It is perhaps the largest collection of learned societies ever to be shoehorned onto a city block.

All of these buildings, except for the American Academy, were designed by Charles P. Huntington, Archer's cousin. (He also designed Our Lady of Esperanza, built to give the complex a Catholic church in which Spanish was spoken.) They have an exquisite visual unity that comes from their construction in Indiana limestone, their continuous cornice height and the repetition of the colossal Ionic order. Arrayed on a monumental axis over 500 feet in length, they represent the urbanism of the City Beautiful at its best.

Or rather would have, if the axis actually led somewhere. By the time Huntington realized he was building a cultural acropolis, developers had taken the parcel at the west end of his site. Rather than pointing majestically to the Hudson and the Palisades beyond, his formal ensemble leads to the 11-story Riviera apartments, at whose unlovely brick buttocks its heroic axis dies.

Beginning in the 1980s, most of the cultural institutions pulled up stakes and moved elsewhere. But this presented the Society with an opportunity. It could now expand eastward into the former Museum of the American Indian (whose collections had been transferred to the Smithsonian). Here it will be able to display more of its permanent collection, the bulk of which is in storage, but also have room for temporary exhibitions. In preparation for that campaign, and to announce that the Society was about to awaken from its slumbers, it decided to improve access to its Sorolla Gallery, the room that Huntington added in 1914 to house the "Vision of Spain," Joaquín Sorolla y Bastida's 14-painting cycle celebrating the geography and life of that country.

The latest project was modest, little more than adding emergency lighting, new signage, and ADA disability lifts for the multilevel terrace. But even so, the bids were shockingly under the roughly $10 million budget—something that almost never happens. The startled architects realized they could restore the original building and the covered courtyard at its center. After the formal dignity of the facade, this space comes as a happy surprise. A kind of Spanish cloister, it consists of an open central space surrounded by an arcaded walkway of deep-red terra cotta, Renaissance in style and richly ornamented.

But it had fallen into disrepair, and both the terra cotta and the floor of red Mercer tile were badly chipped and missing pieces. All were given a deep cleaning, the missing elements patched, a new system of flexible lighting installed, and the plaster walls rendered in neutral gray (the kindest background against which to hang paintings). The architects did not re-create the original skylight, alas. That was removed long ago when the building received a new copper roof. Instead, they plan to install electric lights above the laylight over the space, suggesting daylight. Otherwise, this is the best kind of restoration, the one that is practically invisible.

But the real challenge for the Hispanic Society was never technical but psychological. Over time it had come to seem like a private club rather than a public institution. With the first phase of the restoration it has now rolled out its red carpet. One hopes its heavily Dominican neighborhood—and New Yorkers in general—will accept the invitation to Huntington's quirky, plucky institution created to honor the Spanish and Portuguese-speaking cultures of the world.

Mr. Lewis reviews architecture for the Journal.

ART REVIEW

Overlooked Treasures From a Rich Trove

By Mary Tompkins Lewis

New York

The partial reopening of the Hispanic Society Museum & Library last week as part of a continuing renovation was an auspicious event. With one of the finest collections of its kind in the country, it offers both superb Old Master paintings and an innovative interpretation of literary and visual culture that was unique at the institution's founding and remains impressive today.

The Hispanic Society, established in 1904 by the American scholar and collector Archer M. Huntington as a center for the study of Spanish, Portuguese and Latin American art and culture, is a little-known jewel located in New York's Washington Heights. It is currently in the midst of an ambitious project to upgrade its three landmark buildings and restore Audubon Terrace, where it sits.

The first phase of renovation has focused on the Main Building. Its central, Spanish Renaissance-style Main Court, a stunning, two-story interior space that previously housed masterworks from the Spanish Golden Age; a large gallery devoted to the monumental "Vision of Spain" (1913-19) by Joaquín Sorolla y Bastida, a 14-painting homage to his native country; along with several smaller galleries are the first of its spaces to be refurbished.

Unusual for an institution reopening after a period of dormancy, the Hispanic Society has chosen not to display some of the foremost gems of its collection, paintings by El Greco, Velázquez, Zurbarán and Goya. These recently returned from a lengthy "Collection Highlights" tour while the museum was closed, and are scheduled to be reinstalled on a selective, rotating basis beginning this fall.

In the meantime, visitors can enjoy some of the collection's holdings that are often overlooked, including an array of late Gothic and early Renaissance Spanish sculptures tucked away in a low-slung gallery just off the cavernous Main Court. Most are from the multilevel, alabaster monuments that made up the magnificent funerary ensembles erected for his family by the first Duke of Alburquerque, Beltrán de la Cueva (d. 1492), in the church of San Francisco in Cuéllar in northern Spain. Consisting of small sculpted biblical set pieces, single figures, life-size contemporary effigies and elaborately carved Gothic tracery and pinnacles, they reveal, according to the Hispanic Society curator Patrick Lenaghan, a range of disparate skills, styles and unidentifiable hands.

The best of these sculptures, presented close-up and at eye-level, invite viewers to marvel at their exceptional artistry: the richly carved fabrics that cloak many of the sacred personages; the extraordinarily beautiful figure of a seated God the Father, who balances a globe on his lap above tiny, elegantly shod feet; and the idealized Cuéllar effigies situated throughout the room.

Copy of Velázquez's portrait of Juan de Pareja, left; Joaquín Sorolla y Bastida's 'Juan Ramón Jiménez' (1916), above

THE HISPANIC SOCIETY (2)

The splendidly refinished Main Court, where Goya's alluring portrait of the Duchess of Alba (1797) once greeted visitors, is currently the site of centennial exhibitions marking the death of Sorolla in 1923 and the birth of the Venezuelan artist Jesús Rafael Soto (1923-2005), the latter a loan show. Portraits figured among the works Huntington commissioned from the Spanish painter, and a selection of them hangs in the court's arched wooden expanse. Sorolla's likeness of the poet and Nobel laureate Juan Ramón Jiménez (1916), captured in an elegant, pensive pose, aptly embodies the founder's vision of a gallery memorializing Spanish cultural elites.

Known for their kinetic, optical effects and dematerialized forms, Soto's constructions, such as "Venise" (1964)—in which suspended metal rods appear to vibrate as one's vantage point shifts in front of its painted support—offer a surprising contrast to Sorolla's nearby paintings, and even to the collecting habits of the museum's founder, who was no fan of modern art. But their presence conforms to Huntington's vision of a collection that celebrated the whole of Old and New World Hispanic culture. One of Soto's popular "Penetrables," made up of hand-painted, hanging PVC strands that create shimmering, dynamic spaces and invite viewers' interactions, is scheduled to be installed by late June on the museum's outdoor terrace.

To this visitor, the most vivid example of the enduring impact of Huntington's mission can be found in the small show just off the Main Court devoted to the artist Juan de Pareja, an Andalusian slave and assistant of African descent to the illustrious Spanish painter Velázquez.

Organized by Madeleine Haddon, a curator at London's Victoria and Albert Museum, it parallels a similar but larger exhibition at the Metropolitan Museum of Art. With only a few works, the Hispanic Society show explores, through the medium of copies, the power of a single image: the exquisite and astonishingly lifelike portrait of Pareja by Velázquez in the Met that has challenged generations of artists and copyists, and still speaks to painters today.

A staggeringly beautiful and unimpeachably faithful copy by Jas Knight, a gifted contemporary artist whose learned grasp of Velázquez's studio methods—including his virtually inimitable layered technique of oil painting—and of his subject's powerful, dignified presence is nothing less than breathtaking, dominates the small gallery. (As demonstrated in an accompanying video of Mr. Knight at work, it was painted as part of the Met's Copyist Program, where artists can apply to set up an easel in the museum's galleries.) It is easily worth a trip to the upper reaches of Manhattan and, as much as anything here on view, attests to the remarkable vision of the Hispanic Society's founder, and bodes well for the museum's future.

Ms. Lewis, who taught art history for many years at Trinity College, Hartford, Conn., writes about art for the Journal and other publications.

SPORTS

The NBA's Best Player Is Also the Bloodiest

Nikola Jokic may be the most versatile offensive player in basketball. He leads the league in flesh wounds, too.

By Robert O'Connell

In the decades since European players began infiltrating and reimagining the NBA, they have been subject to stereotypes. Oversimplified strengths, such as a honed jump shot or soccer-ish knack for teamwork, pair with assumed weaknesses, like shyness to contact.

This way of thinking tails Denver Nuggets center and two-time league MVP Nikola Jokic even as he's pummeled through the playoffs to take his team to its first NBA Finals in franchise history. He's still a savant, in the popular telling—more brainy than burly.

Jokic—a 28-year-old Serbian with round shoulders, a sharp chin and a dormant social-media presence—isn't much interested in the conversation surrounding him, and even less in responding to it. But his arms defend him against any charges of softness. No limbs in the league bear more battle marks: residue of the shallow slices and deep, bloody gouges he's sustained in games.

"It doesn't look like he got them from playing basketball," said Zeke Nnaji, a backup forward for the Nuggets, of his teammate's ever-updated collection of cuts. "It looks like he got them from being mauled by a tiger."

Even though they'd largely healed over by the end of the Nuggets' 4-0 sweep of the Los Angeles Lakers in the Western Conference Finals, pink scars remained where fingernails had broken skin. The odd nick, here and there, is part of life for an NBA player, especially a frontcourt scorer. "But not to the extent of 'Joker,' " Nnaji said. "He has four times as many as anyone else. He's just getting hacked down there."

Jokic may be the most versatile offensive player in basketball; he has averaged a triple-double—29.9 points, 13.3 rebounds, and 10.3 assists—during the playoffs. His most viral highlights come on plays where he seems to glide through the defense, pirouetting into a fadeaway jump shot or floating a pass to a teammate.

Nikola Jokic has scars to show from his battles on the court.

KEVIN C. COX/GETTY IMAGES

His defaced triceps and biceps, though, suggest a rugged foundation to his approach that shot-tracking statistics confirm. During the regular season, he made 5.2 field goals per game from less than 5 feet away from the rim, the sixth-most in the NBA.

Over the course of Denver's playoff run, he has banged up against some of the sport's most daunting defensive big men: the 7-foot-1 Rudy Gobert of Minnesota, the rangy Anthony Davis of L.A. The Finals will bring a matchup against the Miami Heat's Bam Adebayo, who finished fifth in this season's Defensive Player of the Year voting.

Against these opponents, Jokic has proven more than happy to play "bully ball." In the first playoff round, he muscled Gobert underneath the rim, caught a pass and—holding the defender away with his left arm—spun up a lay-in with his free right hand. Against the Lakers, he scooted Davis backward while Davis thwacked away at his torso, withstanding the assault to lollipop a shot over him.

In the playoffs, Jokic has banged up against some of the sport's most daunting big men.

"It's a total misconception with Nikola Jokic," said Steve Hess, the Nuggets' director of performance during Jokic's early years with the club. "People are like, 'finesse this, finesse that.' It's crap. He is a warrior."

The surface-level grace of Jokic's game, Hess said, is actually evidence of a surplus of strength: he's powerful enough to move smoothly even as he's getting punished. Before he shoots or passes, Jokic will hold the ball outward like a shield, opening up room to operate—at a dermatologic cost.

"He does an amazing job of utilizing his body to create space," Hess said. "When we see him taking the brunt on his arms, that's because he's positioned himself to move a massive body at a different tempo than anybody else."

For Denver head coach Michael Malone, reframing the conversation around his star player has become something of a side project. Jokic's status as the cleverest passing center in NBA history is largely unchallenged at this point, but Malone believes that idiosyncratic skill and flabby-by-NBA-standards body overshadow his ability to do standard superstar stuff: dominate his matchup one-on-one, endure the crucible of a close-out game.

"Nikola, and I'm not joking when I say this, is just an ultra-conditioned athlete," Malone said after Jokic put up 30 points, 14 rebounds and 13 assists—while playing a season-high 45 minutes—to clinch the conference finals against the Lakers.

In some corners of the Denver locker room, Jokic's scar-streaked arms are fodder for mythmaking. "In the summer, we go to Serbia, we work out in the woods with bears," Felipe Eichenberger, the Nuggets' strength and conditioning coach, joked. "So we're ready for the game."

His cuts also become trophies—evidence of the bind he puts the best defenses in the world in.

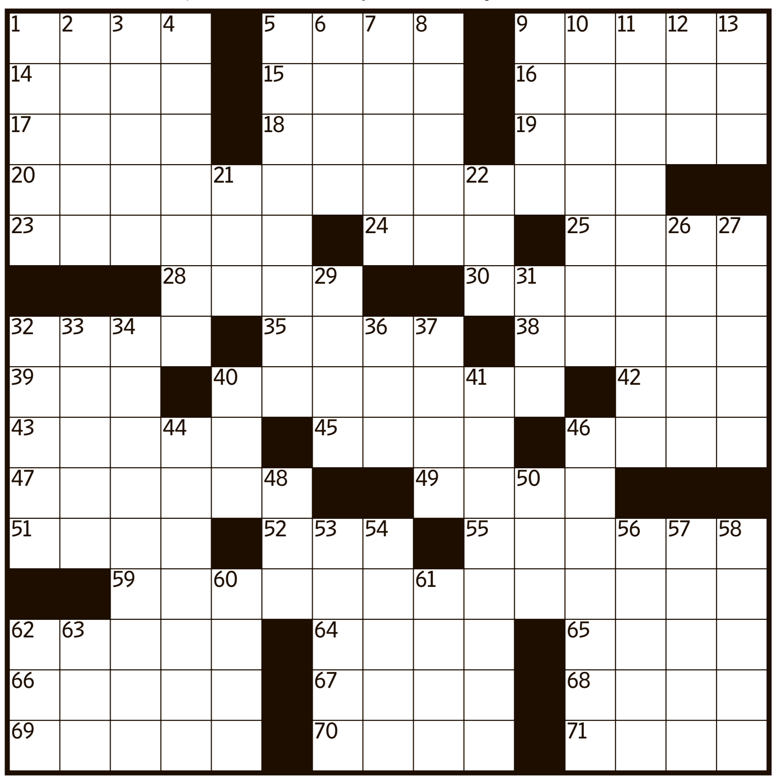
"It shows you how hard he is to guard," said Nuggets assistant Ognjen Stojakovic. "They're trying everything, but it's impossible to stop him. Us as coaches, we aren't [complaining] about it. It's just, he's scoring and getting hit, that's the reality—and this is physical proof."

Jokic doesn't complain, either. Despite telling ESPN in 2019 that he would wear sleeves the following season to protect his skin, he hasn't stuck to the plan, continuing to take the floor in just a tank-top jersey, flesh ripe for the mangling. Maybe his hide is toughening; when he appeared in a short-sleeve shirt at a postgame press conference during the Lakers series, the only visible spot of fresh red was from a small divot taken out of the back of one hand.

If the cost of Jokic's particular brand of greatness is a specific sort of pain, some players might be hesitant to pay it.

"Those long cuts, our trainers have to put the liquid Band-Aid on them, and that stuff stings," Nnaji said. "It really stings. And it's like every time he's out there, he's having it put on something."

The WSJ Daily Crossword | Edited by Mike Shenk



SHREDDED | By Christopher Youngs

Across

1 Serene state
5 Plank activity
9 About to face
14 Fancy
15 Ancient Egyptians' "plant of immortality"
16 Painter Margaret portrayed by Amy Adams in "Big Eyes"
17 Omani money
18 Gross figure
19 County south of Suffolk
20 Christ the Redeemer keeps a watchful eye over it
23 Site of Pope John Paul II's 1986 World Day of Prayer for Peace
24 Letters on some bags
25 Sojourner Truth's "___ I a Woman?"
28 Doesn't guzzle
30 John, Paul, George and Ringo
32 Start the day
35 Polo's heading
38 Like some straws
39 ___swoop (hairstyle)
40 Song with the lyric "Been an awful good girl"
42 I, for Claudius
43 "Egdon Heath" composer
45 ___Ren (villainous son of Leia and Han)
46 Sistine Chapel ceiling depiction
47 Sheikh Zayed Grand Mosque setting
49 Enclosed by
51 Flap
52 Big suit, for short
55 Freezing point?
59 1990s video workout fad (or what this puzzle features)
62 Title Druid high priestess of opera
64 One of the two losers in the Judgment of Paris
65 Turn on the faucets
66 Take in
67 Feat most recently achieved by Viola Davis
68 Band together
69 Present, e.g.
70 Freeway choice
71 Terrence of the Phoenix Suns

Down

1 Roughly
2 Bilbao "bye!"
3 Vaults
4 General discomfort
5 Green bit of crunchy hotness
6 Word in the names of many Italian dishes
7 Cockamamie
8 Spit-in-your-food fare
9 Brand begun in Älmhult
10 Folgers rival
11 Made
12 Any number raised to the zeroth power
13 Unfortunate name for a chauffeur
21 Forensic TV franchise
22 Rivendell resident
26 Gentle reminder
27 Take to the fitting room
29 Downed
31 Advice expert
32 Works an injury back to health
33 "See ya!"
34 Stay the course
36 Litter spot
37 Indian drum
40 Guess
41 Loathe
44 Little guys
46 Wiki conflict
48 I, for Engels
50 RN's workplace
53 Lucy's neighbor
54 Ohm symbol
56 Green who's half of Gnarls Barkley
57 Mailroom supply
58 Awards that include one for Best Play
60 Arena receipts
61 Club choice
62 D.C. player
63 Lofty lines

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

Previous Puzzle's Solution

M	A	C		A	D	A	P	T		M	E	L	T	S
O	I	L		R	I	V	E	R		O	L	L	I	E
B	R	O	O	M	M	A	T	E		U	M	A	M	I
		C	R	Y			R	A	P	S		M	E	N
B	A	K	E		B	R	I	D	E	S	H	A	R	E
A	N	D	M	O	R	E			T	E	E			
R	E	I		K	E	E	P	S			I	L	S	A
B	R	A	I	S	E	D	E	Y	E	B	R	O	W	S
S	A	L	E			S	P	R	E	E		A	I	S
			R	U	E			I	N	T	E	N	S	E
B	R	A	I	N	D	E	L	A	Y		V	E	S	T
L	I	T		L	U	L	U			P	A	D		
U	P	O	N	E		B	R	U	S	H	H	O	U	R
R	U	L	E	S		O	C	T	A	D		U	S	B
B	P	L	U	S		W	H	E	T	S		T	A	G

OAKLAND ATHLETICS/ASSOCIATED PRESS

A rendering of the proposed ballpark.

The A's Plan to Relocate To Las Vegas Takes Shape

By Lindsey Adler

WHEN THE OAKLAND A'S in April abruptly announced their intention to relocate to Las Vegas, a few important details had not quite been nailed down—like how exactly to build a new ballpark in the gambling capital.

A few weeks later, however, the team's plan to relocate after more than 50 years at the now-decrepit Oakland Coliseum is starting to take shape. The process is moving quickly enough that the deal could be up for approval by Major League Baseball owners in mid-June.

That, however, depends on whether a deal to finance a stadium clears the Nevada legislature. A bill introduced in the state legislature last Friday would provide up to $380 million in public funding for a ballpark on the Las Vegas Strip, on the site of the Tropicana Las Vegas hotel. The A's would be responsible for "not less than $1.1 billion" in other costs associated with the development of the ballpark, the bill states.

This legislation represents an important concrete step in the A's plan to leave Oakland. The Nevada scheduled legislative session ends on June 5, and the bill was heard in a joint session of the Senate Committee on Finance and the Assembly Committee on Ways and Means on Monday.

MLB owners are scheduled to meet June 13 to 15 at MLB headquarters in New York, and a vote on the A's relocation—and potentially waiving a relocation fee—could take place then.

The Las Vegas proposal calls for a 30,000 seat stadium—by far the smallest in the majors—that would be owned by the Clark County Stadium Authority and would be expected to open in 2028. The A's existing lease with the Coliseum in Oakland is currently set to expire after the 2024 season, which means the team would either need to attempt to extend their time in the city they're leaving or play at an alternative location until a Las Vegas ballpark is completed.

The A's may not find themselves welcome to stay in Oakland for longer than necessary. They entered Wednesday with a record of 11-45 and have been playing home games in front of fewer than 3,000 fans at times.

Fans have called for team owner John Fisher to sell the team, hoping that a change in ownership could keep it in the Bay Area. The A's spent decades exploring potential options for a new stadium in Oakland and the surrounding areas, but abruptly announced in April that the team had turned its focus to a future in Las Vegas. The City of Oakland said at the time that it had been actively negotiating with the A's on ballpark options when they learned through a media report that the A's had agreed to buy a site in Las Vegas.

The current ballpark deal in Las Vegas isn't the one the A's initially envisioned. An agreement to purchase a different site in Las Vegas fell through, leading the A's to find another landing spot on Las Vegas Boulevard. The Tropicana would be demolished to create a 9-acre footprint for the ballpark.

According to the legislation, the A's would agree to a 30-year "non-relocation agreement" with the stadium authority to secure the financing for the ballpark site. The bill proposes raising the funds through existing tax revenue streams, rather than creating new taxes on Nevada residents. Additionally, the stadium authority will be exempt from paying property taxes on the site.

The A's would become the fourth professional sports team to operate in Las Vegas, and the second team from Oakland to move to the tourist town. The bill to finance a new ballpark draws language the legislature used to build a stadium for the Raiders when they, too, relocated from Oakland.

OPINION

McCarthy Meets 'Die Hard 2'

WONDER LAND
By Daniel Henninger

The Biden-McCarthy debt-ceiling deal is a compromise driven, according to conventional wisdom, by the threat of a U.S. default. The triggering event looked to me more like the threat of a hanging.

Virtually everyone in political life knows the saying by the 18th-century British wit Samuel Johnson that nothing so concentrates a man's mind as the prospect of his hanging. For President Biden, who said for weeks he wouldn't negotiate on spending with Speaker Kevin McCarthy, the focusing of his mind surely arrived with the most recent CNN poll.

What I can only guess was someone at the CNN poll with Johnsonian wit created a question that actually asked voters if Mr. Biden's re-election would be a "disaster" or, at best, "a setback." The total for both hit an astonishing 66%, with 41% in the "disaster" column. As CNN wryly summarized the results for Mr. Biden: "Convincing the overall public that he deserves a second term could prove a challenge."

Thus the McCarthy compromise.

The reaction to the deal among the House Republican Caucus's most conservative members was, as always, nuanced. North Carolina Rep. Dan Bishop tweeted: "RINOs congratulating McCarthy for getting almost zippo in exchange for $4T debt ceiling hike was enough to make you [puke emoji]." By the way, can we start a movement to retire the puke emoji?

The full House voted Wednesday to approve the debt deal. Trust me: The process will grind on. This is a moment to recognize what actually happened in the past week.

Forget the debt ceiling. The Biden-McCarthy compromise is a big deal because it is a *spending* compromise. An important provision of the deal is that if, by the end of the year, the House and Senate haven't passed 12 appropriations bills (the long-forgotten way budgeting is supposed to work), all discretionary spending would become subject to an automatic 1% cut. This is what is known as a "sequester." A sequester is to Democrats what garlic is to vampires.

It is hard to overstate the political significance of this concession on spending by Mr. Biden. Before the compromise, the position of Mr. Biden and virtually all Democrats except Sen. Joe Manchin was that Republicans had to agree to extend the debt ceiling in return for a promise of negotiations later on spending limits.

A Democratic commitment to spending reform was worth less than the hot air it took to make it. The truth today is this: The modern Democratic Party—the party of Bernie Sanders, Elizabeth Warren and the House Squad—won't cut or slow spending for any existing federal program, ever. Now, Mr. McCarthy's negotiators have managed to create a wedge against the left's massive opposition to spending reforms.

In the wake of the compromise, some conservative House members have been appearing and reappearing on television to redo their January fire-bombing of Mr. McCarthy—Mr. Bishop of North Carolina, Chip Roy of Texas, South Carolina's Ralph Norman and Florida's Byron Donalds. Diehards have their uses, giving voice to voters who feel their beliefs have been abandoned. Shouting "No!" against the tide is a time-honored option.

The country is drifting right, and conservatives better not miss the turn.

But a risk in persistent diehardism is that one can miss shifts in the public's mood. That is what happened to the Democratic left on spending.

Mr. Biden and the Democrats loaded everything onto the assumption that not extending the debt ceiling to avoid default was so unthinkable that the Republicans would cave. It turns out the unthinkable suddenly had a caveat: Most voters said they wanted both a debt-ceiling extension and federal spending restraint. Whatever else, that's not a progressive sentiment.

The April Harris poll found (as did an AP/NORC poll) that a strong majority of voters, some 60% or more, think the federal government has too much debt, its spending should be frozen and support clawing back unspent Covid funds. Which is essentially what Mr. McCarthy just got.

The word "compromise" has fallen into bad odor because polarization is so persistent and intense. That doesn't mean the public wants to wallow in these divisions forever.

If the Washington left misread the public mood on spending, Mr. McCarthy's diehard opposition on the right, virtually all from safe seats, are similarly underestimating the significance of the compromise. This isn't 2016. Shouted rage was sufficient then to win votes. By 2020, it got tiresome for swing voters, and the pandemic further wore down the public's appetite for opposition-only politics. Candidate Joe Biden's promise of a more settled politics had genuine appeal. Mr. Biden's approval is in the basement because he violated that promise, not because he was wrong to make it.

Today, the fulcrum of the nation's political mood on which elections are won or lost has not only settled in the center, it appears to be drifting to the right—on spending, crime, the border, parents' rights. Changes like that in the political zeitgeist don't come often. Mr. McCarthy's House debt negotiators delivered a deal that catches the broader public's conservatizing drift. If House conservatives blow it up, we'll know that oppo-politics isn't just a matter of principle. It's dopamine.

Write henninger@wsj.com

Viewer's Guide to Ken Paxton's Impeachment

By Karl Rove

Austin, Texas

It sounds like a new Netflix series. There are allegations of illicit affairs, fraud, corruption, payoffs and abuse of office, all surrounding a powerful statewide elected official. But it isn't fiction. It's the alleged scandal surrounding Texas Attorney General Ken Paxton, impeached Saturday by the state House of Representatives in a 121-23 vote, with 71% of Mr. Paxton's fellow Republicans saying aye. The state Senate will try his case this summer.

He was pursued by an unlikely collection of do-gooders straight from a TV script. Their leader, Rep. Andy Murr, sports a handlebar mustache out of the 1870s. His teammates range from a wicked smart female prosecutor (Rep. Ann Johnson) to an aw-shucks nonlawyer with a brilliant legal mind (Rep. Charlie Geren) to two small-town attorneys with ability and attitude (Reps. David Spiller and Oscar Longoria).

Mr. Paxton faces sordid charges. The House Committee on General Investigating alleges that the attorney general had an affair with a state senator's district director. When the senator discovered the affair, she fired her staffer, believing it bad form for her to be sleeping with the husband of the senator's colleague, state Sen. Angela Paxton. Mr. Paxton then allegedly arranged for his mistress to be hired by a real-estate developer, Nate Paul, a controversial businessman with a history of bankruptcies and lawsuits. Investigators allege Mr. Paul may also have paid for renovations to Mr. Paxton's home.

The investigating committee argues these actions gave Mr. Paul leverage to get the attorney general to use his office on Mr. Paul's behalf in business disputes, leading to Mr. Paxton's alleged violations of state law.

The first involved a charity's lawsuits against Mr. Paul. First, the charity sued when Mr. Paul refused to open his books on commercial properties that the nonprofit had invested in with him. The suit was settled in mediation, with Mr. Paul agreeing to buy out the charity for $10.5 million. He failed to pay, so the charity sued again. Over the strenuous opposition of senior advisers, the attorney general directed his office's Charitable Trust Division to intervene for Mr. Paul by pressuring the charity to accept less than half the amount it had won in mediation. The charity refused, went to court, and eventually won $21 million from a forced sale of the properties.

The committee also alleges Mr. Paxton tried to stop unrelated forced sales of Mr. Paul's properties. Late on Friday, July 31, 2020, Mr. Paxton told a senior staffer to research whether in-person foreclosure sales held on courthouse steps violated Covid restrictions, with the aim of getting out an opinion by the end of the weekend. Though the senior staffer tasked with drafting the opinion told Mr. Paxton these didn't violate Covid rules, the attorney general insisted they did and between 1 a.m. and 2 a.m. on Sunday, Aug. 2, his office issued an opinion saying so.

This was highly unusual. Such opinions require a written request from outside the attorney general's office: Mr. Paxton provided a phone number for the supposed requester to the senior staffer who researched the matter, but when the staffer called, that person "was completely unfamiliar with the matter," according to committee investigators. The opinion's speedy release was also unusual. It normally takes 180 days, not 30-some hours. In this case, alacrity was helpful for Mr. Paul; his attorneys tried to use the opinion to stop foreclosures on a dozen or more properties.

The Texas scandal allegedly entails an affair, fraud, payoffs and even the FBI.

The committee also alleges Mr. Paxton provided Mr. Paul an unredacted copy of a search warrant executed on Mr. Paul by the Federal Bureau of Investigation in August 2019. Mr. Paul apparently wanted to know what the feds knew and from whom they had learned it. Mr. Paxton allegedly rejected advice from senior aides to leave the issue alone and three times tried to force the warrant's release to Mr. Paul, according to investigators. He failed. After obtaining a copy of the unredacted warrant in his official capacity, in the summer of 2020 he asked an aide to deliver to Mr. Paul "a manila envelope containing several sheets of paper," according to investigators. After that, Mr. Paul's lawyer stopped asking for the warrant.

Then the show stopper: The committee alleges Mr. Paxton circumvented law and longstanding procedures to hire an outside attorney recommended by Mr. Paul. Styling himself a "special prosecutor," a nonexistent title in Texas, Brandon Cammack issued grand-jury subpoenas for banks and individuals involved in civil disputes with Mr. Paul and law-enforcement officials involved in the federal investigation of him, including the magistrate who authorized the search. A state judge subsequently quashed the subpoenas. Seven senior aides to Mr. Paxton reported this to the FBI. Mr. Paxton then fired the whistleblowers who hadn't already resigned, allegedly violating another state law.

Mr. Paxon denies wrongdoing, insisting he's the victim of an "illegal, unethical and profoundly unjust" process. But the charges against him are so serious and the evidence convincing enough that all five Republican House members from Collin County, where Mr. Paxton lives, voted to impeach him. Apparently those who know him best want to be on record cleaning up this scandal.

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

My Father Helped Put Men on the Moon

By Marc Siegel

My 99-year-old father, Bernie, is a long-retired aeronautics engineer who worked on the Apollo moon landings for American Bosch Arma Corp., a subcontractor for Northrop Grumman. My father was responsible for quality control involving the lunar excursion module, which stayed stable in flight using simple gyros rather than advanced computers or artificial intelligence.

He was amazed when he learned of recent space-flight advances: "What we did with the LEM was crude compared to what they are doing now." But there are still essential similarities. Dad worked on a system known as CWEA, short for Caution and Warning Electronics Assembly. "The idea was to let the astronauts on board know they had a problem. It monitored all of the instruments on the LEM. There were a lot of parameters. If everything worked, fine. If any of them went out of spec, it gave a caution. If they went too far, it issued a warning."

I asked Bernie Siegel, 99, about the progress in space travel.

CWEA helped save the crew of Apollo 13 when the LEM and its safety systems brought the faulty Saturn rocket safely back to Earth after an oxygen tank on the command and service module exploded. It was my father's proudest moment as an engineer. His group received a national citation, about which he's humble: "My work was just a small part of what happened."

Fast-forward 53 years, and Jeff Bezos' Blue Origin has been chosen by NASA to develop a moon lander potentially for use this decade. The Blue Moon lander will be used for NASA's Artemis exploration program, with manned use planned for Artemis V, in 2029.

Elon Musk's SpaceX already has the contract for the lunar landing module (known as Starship Human Landing System) for the unmanned Artemis III and the manned Artemis IV. The SpaceX starship is a unibody construction in which the whole ship will land, while the Blue Moon lander is modular, like the Apollo LEM, with a lower propulsion unit and a logistics stage on top that can be used either as a cargo platform or a pressurized crew module.

My father said the Apollo LEM was far too cramped and called the 52-foot, four-legged Blue Moon lander a "big improvement." He was fascinated to learn that Blue Origin beat a competing proposal from Northrop Grumman. "Now that's a mistake," he said. "Grumman has done it before and knows what they are doing, and their experience would help save on cost."

When he heard the new lander contract is worth $3.4 billion, whereas the original LEM cost NASA some $50 million (around $425 million in today's dollars), he laughed: "They don't worry about money. It's only our money."

Dr. Siegel is a clinical professor of medicine at NYU Langone Health and a Fox News medical correspondent.

BOOKSHELF | By Philip Terzian

What Frank Church Wrought

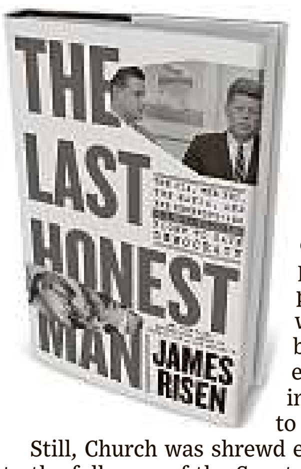
The Last Honest Man

By James Risen
(Little, Brown, 467 pages, $32)

It used to be said that no new member of the Senate stepped onto its floor for the first time without picturing himself someday as president of the United States. This may well remain true, but of no modern freshman was this ever truer than of Frank Church of Idaho (1924-1984), the subject of James Risen's "The Last Honest Man," a detailed, impassioned and admiring biography.

Church arrived in Washington in January 1957, at 32 just past the constitutional age of eligibility, and for the next quarter-century was often regarded, not least by himself, as a presidential prospect. With some reason: Square-jawed and wavy-haired, with a sonorous voice, he had a good war record and was a vigorous campaigner. In 1956, the year of Dwight Eisenhower's second landslide victory over Adlai Stevenson, he had ousted a Republican incumbent in a state—Idaho—that has since elected no other Democrat to the Senate.

But the virtues were accompanied by certain defects. Growing up in the 1930s, Church was transfixed by politics from an early age—he was especially enamored of Idaho's



William E. Borah, the Senate's most conspicuous isolationist—and as a junior won the American Legion National Oratorical Contest for high-school students. In some sense, he never recovered from this early triumph. As Mr. Risen notes more than once, Church always spoke in public with a self-consciously precise diction, practicing his well-crafted phrases for hours before delivery. The overall effect was both impressive and impressively pompous, leading to the nickname Frank Cathedral.

Still, Church was shrewd enough as a freshman to adapt to the folkways of the Senate and attach himself to Lyndon Johnson, the intimidating majority leader, as well as to the rising John F. Kennedy. Invited to be the keynote speaker at the 1960 Democratic National Convention—the convention at which Kennedy was nominated—Church's boy-orator style, earnest manner and boilerplate prose failed to electrify the nation.

His sense of himself as an outsider in political Washington gave Church the fortitude to chart an independent course. That is the underlying theme of "The Last Honest Man" and the source of Church's subsequent renown. But it came at the price of estrangement from his party's establishment and perennially frustrated ambition for higher office.

It is pertinent to note that the senior Senate colleague who might have served as Church's guardian angel—J. William Fulbright of Arkansas, the cynical and genteel chairman of the Foreign Relations Committee—regarded Church warily as a pious opportunist. And the president closest to Church's vision of public service and America's role in the world, Jimmy Carter, once recorded in his diary, after meeting with Democratic congressional leaders, that "they were quite supportive, although a couple had been acting like asses beforehand: Frank Church the worst." No doubt Church thought Mr. Carter was sitting where he ought to be.

So what qualifies Church to be the "last honest man"? Much of it has to do with Mr. Risen's affinity, as a veteran investigative reporter, with Church's estrangement from the Cold War consensus in U.S. foreign policy. In the view of both the author and his subject, that consensus led America away from its early republican ideals and toward its habitual status as an overbearing "national-security state unaccountable to the American people."

The idea that the U.S. has been transformed into a malicious imperial power, with unbridled armed forces and intrusive intelligence agencies, has become a strident platitude in the past couple of decades, proclaimed most vociferously by critics of the Iraq War. But such a perspective can be found in both parties, depending on the conflict under scrutiny. In the 1970s, it was Vietnam that inspired the heated rhetoric and passionate anti-interventionism.

The senator spoke in public with a self-consciously precise diction. The effect was both impressive and impressively pompous.

Church was not the first senator to publicly oppose the Vietnam War, but he was the Democratic half of the Cooper-Church amendment (1970), which sought to cut off funding for its prosecution. In 1975-76, impelled by particular distaste for the role of America's intelligence agencies in the conflict, he seized the opportunity afforded by the revelations of the Watergate scandal to conduct a series of hearings on secret, covert and extralegal operations by the CIA, FBI and National Security Agency.

The Church Committee, as it was popularly known, commanded headlines for months and featured revelations ranging from the surveillance of antiwar activists to picturesque poison-dart guns designed to assassinate the likes of Fidel Castro. And while the spectacle didn't propel Church to the White House—indeed, he was swept out of the Senate four years later—his committee did make those agencies fully accountable to Congress and set the stage for the Foreign Intelligence Surveillance Act (1978), which still regulates surveillance and spycraft on American soil.

A happy ending? Mr. Risen argues that the legislative revolt against the executive agencies of the national-security state was right and necessary and that "Frank Church's historical standing has soared" since his death. In the wake of the War on Terror, Mr. Risen writes, calls have come "from Congress and among journalists, pundits, and activists that the nation needed another Church Committee to investigate the Bush-Cheney abuses of power." Church was fighting to "save democracy," in the 1970s, as the subtitle of this volume instructs us, and the struggle goes on.

This is, of course, a pardonable exaggeration from a Church admirer and must be weighed against the judgment of those who believe that Church and his committee did reckless and irreparable harm to American national security. The truth is probably less dramatic. Even by the 1970s, the CIA and the other intelligence agencies were well on their way to becoming standard bloated federal bureaucracies. No doubt they required reform and congressional oversight, but Church's drastic remedies merely hastened the decline.

Mr. Terzian is the author of "Architects of Power: Roosevelt, Eisenhower, and the American Century."

OPINION

REVIEW & OUTLOOK

New York's Boost for Chinese Creditors

Albany progressives want to mess with the sovereign debt market.

It isn't easy keeping up with the progressive follies in Albany and Sacramento, but someone has to do it and that means us. The latest New York howler is an attempt to upend the $70 trillion global sovereign debt market by capping private creditor recoveries when low-income countries default. This is as destructive as it sounds—but China will love it.

More countries are defaulting on dollar debt these days, five in recent years. Another 11 have debt trading at distressed levels. More than half of the public debt owed by sovereigns is governed by New York law.

Enter Albany progressives, who are trying to show solidarity with other spendthrift governments. They want to jam through legislation before their session ends next week that would limit recoveries for private creditors in a sovereign debt restructuring to "equitable burden-sharing standards" under "international initiatives" led by the International Monetary Fund or World Bank.

In other words, if the IMF declares that Bolivia's private creditors deserve to recoup five cents on the dollar, they will have to accept that no matter what their bond contract says or what government lenders recover. They couldn't negotiate separately with a sovereign. Creditors would lose without a vote.

The bill is aimed at hedge funds that buy sovereign debt at steep discounts hoping to turn a profit in restructuring, but it would apply to life insurers, mutual funds and pension funds too. "Vultures are not legitimate investors," Assemblywoman Patricia Fahy wrote in the Albany Times Union. Apparently, a vulture is any investor who wants to collect on debt.

Another bill would prevent investors who acquire debt in default from enforcing claims if they have a "history of acquiring claims at significant discounts from face values and bringing legal actions to enforce such claims," or have "refused to participate in a consensual settlement of the claim" in a sovereign debt restructuring.

Democrats say the bills would aid restructuring and promote a "more stable and prosperous international community," to quote Ms. Fahy. But most sovereign debt issued in recent years includes collective-action clauses that mirror Chapter 11 corporate bankruptcy in the U.S. and reduce incentives for holdout creditors.

Restructuring in Argentina and Ecuador in 2020 was completed with voluntary agreements. The average duration of a sovereign debt restructuring fell to 1.2 years on average between 2014 and 2020 from 3.5 years from 1978 to 2010.

The biggest obstacle to restructuring nowadays is China, which would benefit most from the New York legislation. China has more loans outstanding to low-income countries than all other developed countries combined as it has financed foreign development with its Belt and Road initiative. Beijing has been loath to write down debt, instead preferring to refinance it, often with more onerous terms. The Albany bills would apply to U.S. creditors but not to China.

The bills would disrupt financial markets and undermine America's status as a defender of the rule of law. Creditors would have to reprice low-income countries' sovereign and corporate debt since the latter is often tied to their governments' borrowing costs. They would also invariably raise interest rates for borrowers going forward.

In sum, New York progressives would hurt those they claim they want to help. It wouldn't be the first time.

The Trump-Cuomo Covid Bromance

The once mortal enemies unite to distort Florida's success.

The 2024 presidential race is already wild, and the strangest moment so far may be the mutual Covid admiration society of Donald Trump and former New York Gov. Andrew Cuomo. In 2020 they were mortal political enemies, but now they're uniting to praise their performance in order to trash the far better Covid judgment and governance of Ron DeSantis in Florida.

Mr. Trump will say anything to hurt the Sunshine State Governor now running against him for President. Last week he said in a video posted on Truth Social: "How about the fact that he had the third most deaths of any state having to do with the China virus or Covid? Even Cuomo did better, he was number four."

Mr. Cuomo returned the compliment on Tuesday from his political exile, tweeting that "Donald Trump tells the truth, finally. New York got hit first and worst but New Yorkers acted responsibly. Florida's policy of denial allowed Covid to spread and that's why they had a very large second wave."

Where to begin? The media feted Mr. Cuomo for his handling of Covid in 2020, but his harsh lockdowns continue to have baleful effects on the state's economy as its recovery lags. We also know Mr. Cuomo made a literally fatal March 2020 decision to admit Covid patients to nursing homes. His administration then tried to fudge the number of nursing-home deaths from Covid.

In sharp contrast, Mr. DeSantis demonstrated true leadership. To the extent Florida had a second Covid "wave" during the summer of 2020, it was because it never had a big first wave in the spring.

Despite having a higher proportion of elderly citizens who were more vulnerable, Mr. DeSantis resisted Anthony Fauci and the media to keep his state's schools and economy going. He lifted the lockdown in May 2020 and removed all restrictions on business capacity in September. That autumn he fought the teachers union in court to reopen schools far earlier than most states did.

Mr. Trump's claim about Florida's relative Covid deaths is a distortion. Florida had more total deaths than New York, but Florida's population is older and thus more vulnerable to Covid. The Centers for Disease Control and Prevention reports that age-adjusted deaths were 245 per 100,000 residents for Florida against 311.5 for New York.

Mr. Trump is trying to deflect from his own Covid record and his Administration's year-long deference to Dr. Fauci. "Fifteen days to slow the spread" of Covid in March 2020 turned into months of bowing to the health-care and media clerisy on closing schools and keeping much of the economy shut down. The damage from lost learning and livelihoods has been horrific and paved the way for Joe Biden's election victory in 2020.

The Trump-Cuomo Covid bromance would be hilarious if it weren't so deceitful. It's a lesson for Republican primary voters in what they'll get again if they renominate the former President who never sidelined Dr. Fauci.

A Republican Debt-Limit Reality Check

Speaker McCarthy isn't the obstacle to more GOP victories. Biden is.

Some conservatives are grousing that the debt-ceiling bill negotiated by Speaker Kevin McCarthy has left President Biden's legislation of the last two years largely intact. That's undeniable, but we also wonder what political planet these folks are occupying.

Members of the House Freedom Caucus and 71 Republicans in total voted against the bill that passed overwhelmingly late Wednesday. Heritage Action and other parts of the Beltway conservative establishment also urged a "no" vote. They say the bill doesn't reduce the current federal debt, doesn't cut enough spending, doesn't repeal green subsidies, and doesn't even repeal the $80 billion in new money for the Internal Revenue Service.

All of that is true, and they have every right to gripe about it. But what did they expect? House Republicans hold a four-vote majority, the smallest in decades. Democrats still control the Senate and the White House. In no plausible political universe could Republicans expect to roll back the legislation that Democrats passed with control of both sides of Pennsylvania Ave. in the last Congress.

In this divided government, there was always going to be a debt-limit compromise. There had to be lest the government default. That's the way it has always been.

The claim is that Mr. McCarthy could have held out for more. But brinkmanship isn't risk-free, and cutting it closer to the default-day deadline risked taking responsibility for a downgrade in the U.S. credit rating or a partial government shutdown. Mr. Biden would have been blamed, but so would House Republicans. Mr. McCarthy had to make a judgment call about the policy victories he had pocketed in the talks and the political risks he might run if he held out for more.

As it is, he won some significant concessions, as we have reported this week. Domestic discretionary spending authority in the deal will be $112 billion below the Congressional Budget Office baseline for fiscal 2024 and $136 billion below the baseline for fiscal 2025. Republicans also get better leverage to avoid being jammed with another giant omnibus spending bill this year. Defense spending for the next two years is inadequate in the deal, but the biggest critics on the right don't object to defense cuts.

The dumbest argument is North Carolina Rep. Dan Bishop's that the deal is cause for deposing Mr. McCarthy, as if the Speaker is the obstacle to more conservative victories. Mr. Biden and the Democratic Senate are the obstacles. If Republicans wanted more victories on legislation this year, they should have won more election victories in the House and Senate last year.

If the debt deal fails in Congress, the next bill won't move more to the right. It will move left, as Democrats demand more in return for their votes. And if Republicans mount a circular firing squad to depose Mr. McCarthy, they won't end up with a more united conference for South Carolina Rep. Ralph Norman's causes. They'll merely show the country they can't govern.

LETTERS TO THE EDITOR

Tim Scott: America's Hopeful Counterfactual?

Lance Morrow's article on Sen. Tim Scott's presidential candidacy ("Tim Scott and the Politics of Forgiveness" (op-ed, May 26) is especially good in using the expression "the American optative" to describe American exceptionalism. The optative mood, the hopeful counterfactual, informs much of what Christ said to us in the New Testament: "I have come that they might have life and they might have it abundantly," for example.

This grammatical device informs much of our historical self-understanding. It undergirds Martin Luther King Jr.'s idea of the Constitution and Declaration of Independence as a "promissory note" to be fulfilled in the civil-rights movement. Would that we might return to that.

Ross Betts
Pittsburgh

Mr. Morrow misses an important point in his emphasis on the politics of forgiveness. Sen. Scott said it himself: "You can be bitter or you can be better." This is much different from forgiveness, which isn't always wrapped in the cloak of forgetting. "Miracles happen now and then," writes Mr. Morrow, but only when we strive for better. Mr. Scott is the miracle that I, as a Republican, am praying for and would work for. A breath of fresh, clear air. Better, not bitter.

Marilyn Kopelman
Greenwood Village, Colo.

I doubt Mr. Scott's presence on the 2024 Republican ticket would yield any comity. He certainly wouldn't receive any kid-glove treatment from the media, nothing similar to what was accorded former President Barack Obama during his campaigns. Mr. Scott will be attacked viciously, as that is the way Democrats and the media now play the game. Dream on, Mr. Morrow.

Robert T. Kean
Baltimore

Mr. Morrow's assertion that "the arc of the moral universe bends more often toward forgetfulness" rings true given the fallen world in which we live. His reasoning that the time is ripe for a presidential candidate of Sen. Scott's forgiving temperament resonates. It leaves you yearning for an inspirational figure in the White House to lead our country out of the morass of grievance to the possibilities of its future.

Warner Davis
Collierville, Tenn.

Human Rights Watch's Obsession With Israel

In his response (Letters, May 24) to Alan Dershowitz, former Human Rights Watch executive director Kenneth Roth avoids contending with the latter's criticism of Human Rights Watch (op-ed, May 22) by reinterpreting what was actually said.

It is true, as Mr. Roth states, that "democracies as well as dictatorships violate human rights," and both should be subject to criticism for their violations. No one has suggested otherwise. What Mr. Dershowitz pointed out, and what Mr. Roth evades, is Human Rights Watch's blatantly disproportionate obsession with what also happens to be the world's only Jewish state. Elsewhere, Mr. Roth has boasted that Human Rights Watch's attacks on Israel have received more attention than efforts to address the mass internment of Uyghurs in China or the Taliban's oppression of women in Afghanistan.

The high-minded rhetoric against Israel isn't in service of human rights. Steeped in misinformation, Human Rights Watch's accusation of apartheid serves a discriminatory political purpose. Mr. Roth has also acknowledged this, sharing on Twitter the comment that "the longer the charge sticks, the greater the threat it will pose to perceptions of Israel's legitimacy." In other words, it isn't about Palestinian human rights; it is about delegitimizing the Jewish state. This rebranded form of the anti-Semitic "Zionism is racism" campaign is what George Soros's contributions to Human Rights Watch have enabled.

David M. Litman
Senior analyst
Committee for Accuracy in Middle East Reporting and Analysis
Boston

No 'Definitional Trick' in the Poverty Measure

Defining poverty is more than a "definitional trick" ("Will Biden Cross a Line on Poverty?" by Kevin Corinth, op-ed, May 23). Measuring economic poverty involves estimating a basic-needs budget or threshold, along with the resources available to families to meet that threshold. The Supplemental Poverty Measure (SPM) was created to produce a more complete estimate than is provided by the Official Poverty Measure (OPM).

Due to its improved measure of needs and capability to track the effects of poverty-reduction programs, the SPM has become the go-to measure for most research and policy purposes. This was made stark during the Covid-19 pandemic, when the OPM showed rising poverty and the SPM showed declining poverty. Hence, the National Academy of Sciences Panel on Evaluation and Improvements to the Supplemental Poverty Measure, for which I served as chairman, recognized that the name "supplemental" was no longer appropriate and recommended that the new poverty statistic be renamed the Principal Poverty Measure (PPM). The panel made no recommendation on replacing the OPM for program-eligibility purposes.

Mr. Corinth's claim that implementing this recommendation could increase the number of Americans eligible for benefits and, in turn, increase government spending on entitlements is misleading and requires a lot of "ifs." If the Census Bureau adopts the proposed PPM; if the Office of Management and Budget changes the OPM; if the Department of Health and Human Services changes the poverty guidelines; and if program eligibility rules aren't modified to account for new resources included in the PPM. The NAS panel was tasked to recommend improvements to the SPM, and based on extensive peer review, it more than met that charge without bias.

James P. Ziliak
Lexington, Ky.

For Bill de Blasio's Legacy, Another Nail in the Coffin

Former Mayor Bill de Blasio's policy imprint on New York is impressive, and now it may include a $10 billion cost to taxpayers for pension-fund-investment shortfalls due to climate-change-related divestment policies ("A Lawsuit to Protect Pensions," Review & Outlook, May 24). Add to this the chaos due to his policing policies, the charter-school shortage and consequent long waiting list, the loss of taxpaying population, the increase in the homeless population and more. One has to wonder: What, if anything, did he do that has really helped the average New York City resident?

Mr. de Blasio is now topping off his impressive list of failures by teaching students at Harvard and New York University. What were they thinking in inviting him to teach? That's just what we need for the future leaders of our country.

Joe Visalli
Schodack, N.Y.

The Buck Stops at Congress

Sen. Ted Cruz tells us Congress has the power of the purse and then blames out-of-control spending on several administrations ("In Case of Emergency, Don't Break the 14th Amendment," op-ed, May 27). Sorry, senator, an administration may spend only what Congress authorizes. Congress owns every budget deficit.

Ben Moseley
Tomball, Texas

The Purpose Is in the Name

Justice Samuel Alito misses the point entirely when he defends his decision to weaken the Clean Water Act by stating, "Today, many formerly fetid bodies of water are safe for the use and enjoyment of the people of this country" ("A Clean Water Landmark for Liberty," Review & Outlook, May 26). The intent of the law wasn't to increase leisure activity but rather to protect species and habitat.

Suzanne Howard
Chester, Conn.

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

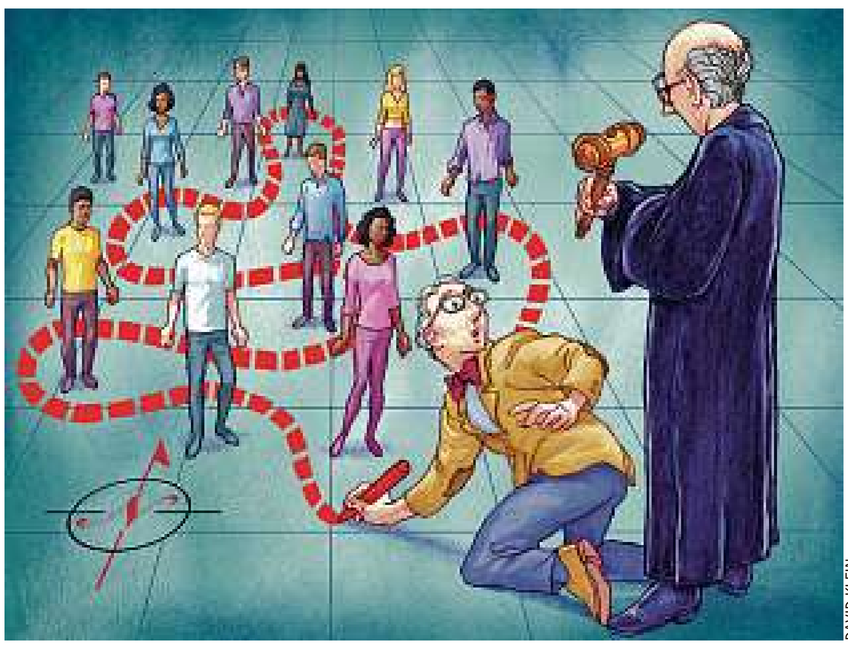
Pepper ... And Salt

THE WALL STREET JOURNAL

"Have you tried buying a new one?"

Racial Preferences Won't Go Easily

By Brian T. Fitzpatrick



DAVID KLEIN

The U.S. Supreme Court is expected to rule soon that Harvard and the University of North Carolina violated the 14th Amendment's Equal Protection Clause and associated federal statutes by considering race in admissions. I expect most universities will try to evade the ruling by using proxies for race to select students.

For a glimpse of that future, look to Thomas Jefferson High School in Alexandria, Va., a highly rated public magnet school where the student body was until recently more than 70% Asian-American. In 2020 administrators decided they wanted a greater percentage of black and Latino students but didn't want to use race directly in admissions—that would have been too controversial. So they reverse-engineered the outcome they sought. Middle schools in Northern Virginia are a good proxy for race. By limiting how many students could attend Thomas Jefferson from each middle school, administrators increased black and Latino enrollment and decreased Asian-American enrollment.

> Colleges will seek sneaky ways of filling quotas. But they'll have trouble defending them in court.

Universities will engage in similar shenanigans if the Supreme Court rules against Harvard and UNC. They've done it before. When a voter referendum forbade Michigan schools to use racial preferences in admissions, they turned to preferences for applicants who live on Indian reservations or inside the Detroit city limits. Bilingual applicants also got a leg up. None of these preferences were for race, but rather for things highly correlated with applications from Native American, black and Latino students, respectively.

Universities have already begun laying the groundwork for the transition to race-neutral affirmative action. It's one reason many have turned away from standardized tests such as the SAT. Schools will need flexibility to get their racial numbers right because no proxy perfectly correlates with race. Standardized tests get in the way.

The question the magnet-school litigation previewed is whether it will be legal to use proxies for race if the Supreme Court finds it is illegal to use race directly. I don't think it will be, and I'm not alone. Although the panel of judges from the Fourth U.S. Circuit Court of Appeals upheld the Thomas Jefferson High School admissions scheme by a 2-1 vote, my money is on the dissent if and when it gets to the Supreme Court.

Laws against discrimination aren't so toothless that they can be easily evaded. The Supreme Court has repeatedly ruled against racial discrimination by proxy. If the purpose of an apparently race-neutral decision is to cause racial effects, and the decision in fact causes racial effects, then the decision is as illegal as using race itself would be. This test should doom the racial proxies to which universities are expected to turn after the Supreme Court's ruling.

There is no legal distinction between using racial proxies to help blacks and Latinos and using them to hurt blacks and Latinos. There is no way to increase the percentage of black and Latino students without decreasing the percentage of Asian-American and white students. Racial classification is a zero-sum game.

When states purposefully draw electoral districts to include predominately black neighborhoods, it is technically race-neutral—people are classified based on geography. But the Supreme Court has repeatedly found these districts to be illegal because they failed the purpose-and-effects test. If the Equal Protection Clause prohibits racial gerrymandering of electoral districts, it also prohibits racial gerrymandering of college admissions. The two judges in the majority in the Thomas Jefferson case didn't even address this.

Some contend that race-neutral affirmative action can't be illegal because the Supreme Court has encouraged it as an alternative to race-explicit affirmative action. One of the judges in the Thomas Jefferson case made this argument. But the Supreme Court has encouraged race-neutral affirmative action only when race-explicit affirmative action is otherwise legally justified. Call it the lesser of two evils. If the Supreme Court rules against Harvard and UNC, race-explicit affirmative action will no longer be legally justified in college admissions. There will therefore be no reason to choose between two evils.

Achieving racial diversity means achieving a minimum percentage of each race. But minimum percentages of each race mean maximum percentages of each race, too. The Supreme Court didn't allow racial maximums for blacks in the past, and I don't think it will allow racial maximums for Asian-Americans or whites today. The justices have already said the Equal Protection Clause protects all races equally, and that the nation should strive to be colorblind, not color-conscious. In other words, we should be willing to accept institutions made up of our best and brightest, no matter the racial compositions.

This will be a hard adjustment for many because it's something that we have never really done before in America. But who knows? It might be worth a try.

Mr. Fitzpatrick is a professor at Vanderbilt Law School. He was a law clerk to Justice Antonin Scalia.

Turkey Must Allow Sweden Into NATO

By Mark T. Esper And Evelyn N. Farkas

With Turkey's presidential election now decided, it is time for the two holdouts, Turkey and Hungary, to approve Sweden's application to join the North Atlantic Treaty Organization. Stockholm deserves accession, which is overdue. With NATO's next major summit scheduled for mid-July in Lithuania, there are only a few weeks for the alliance to consummate its goal of including both Finland and Sweden. Any further delay will dilute (or even undermine) the message to Vladimir Putin: that his illegal war against Ukraine has both united and expanded the alliance against Moscow's aggression.

Finland joined the alliance in April, but its Nordic neighbor was left out, a hostage to Turkey's shifting objections. Hungary has also refused to approve Sweden's accession but has signaled it will once Turkey does. Turkish President Recep Tayyip Erdoğan had several items for Stockholm to address. Among them was ensuring that Sweden wasn't a haven for terrorist groups such as the PKK, also known as the Kurdistan Workers' Party.

> If it isn't a member before the July Vilnius summit, Erdogan and Orbán shouldn't be welcome.

The Swedes responded by changing their constitution and passing new antiterrorism legislation. This new law takes effect June 1, removing what should be the final sticking point with Turkey.

During our visit last week to Stockholm, we found a genuine commitment among the country's most senior officials to addressing their Turkish counterparts' legitimate concerns, including after Sweden is admitted to NATO. We were struck by their eagerness to join the alliance and strengthen its security.

Like Finland, which we also visited, Sweden will be a valuable member of the alliance. Sweden's 2023 budget proposal commits spending 2% of its gross domestic product on defense, as NATO expects, by 2026. We would prefer this to happen sooner, but we're confident that it will happen, which can't be said for many longtime members.

Sweden also brings favorable geography for countering the Russian threat in the Baltic Sea, valuable intelligence insights on Moscow, a robust defense industry, laudable maritime capabilities (especially undersea), and Arctic Council membership.

Despite all this, it isn't clear how quickly Turkey will act. The recent accession of Finland was a blow to Mr. Putin and his expansionist agenda. Any delay in full membership beyond the Vilnius summit would encourage the Kremlin and undermine NATO. It would also give more time to those trying to derail Sweden's membership and discourage other NATO aspirants. With Russia reeling from broad-based sanctions, diplomatic isolation and setbacks on the battlefield, this is no time to show disunity.

The U.S. must press Turkey and Hungary to approve Sweden's membership immediately and get other allies to apply the same pressure. Stockholm has done everything it can to meet Mr. Erdoğan's demands. He should be out of excuses. Meanwhile, Washington and other key capitals, such as Berlin and Madrid, should offer the appropriate carrots (and privately threaten the right sticks) to ensure accession happens. President Biden could offer to approve sales of F-16 aircraft to Turkey or a White House visit for Mr. Erdoğan, for example.

Other allies could offer to support Turkey's reconstruction following the massive earthquake earlier this year and provide incentives to help its beleaguered economy. At the same time, NATO members should make clear that Mr. Erdoğan and Hungarian Prime Minister Viktor Orbán won't be welcome in Vilnius if Sweden isn't a member by the summit's start.

The most senior Finnish government officials told us that their security isn't maximized without Sweden as a NATO ally. That is certainly Moscow's belief as well. The last thing NATO should do is give Mr. Putin an opportunity to regain his footing. We have come too far, and the Ukrainians have sacrificed too much, to let that happen.

Mr. Esper served as defense secretary, 2019-20, and is a McCain Institute board member. Ms. Farkas is executive director of the McCain Institute. She served as a deputy assistant defense secretary, 2012-15.

2024 Candidates Run Against the Administrative State

By James Bacon

The emerging question of the 2024 presidential election: Who will slay the federal leviathan? The beast goes by another name—the administrative state—and primary contenders are increasingly placing it front and center in their campaigns.

In his Twitter Spaces launch with Elon Musk, Florida Gov. Ron DeSantis promised to "reconstitutionalize the executive branch and bring the administrative state to heel." Democratic candidate Robert F. Kennedy Jr. began his White House bid by saying he'd "take the CIA and shatter it into a thousand pieces and scatter it to the winds." Businessman Vivek Ramaswamy has a bold proposal to eliminate all civil-service protections for federal employees. And in Donald Trump's first speeches of the 2024 cycle, he claimed he is better positioned than his opponents to "root out the deep state" in 2025, having learned from his personnel mistakes during his first term.

What was once obscure has become obvious: Presidents today exercise a fraction of the executive-agency control that Franklin D. Roosevelt did when he and Congress created our modern government. The Covid lockdowns encouraged by Anthony Fauci and the recently uncovered coordination between the government and social-media platforms to censor what they arbitrarily deemed "misinformation" are fresh on everyone's mind. That these bureaucrats pursued their own agenda while Mr. Trump ostensibly had control over them proves that until you fix the administrative state, there's no guarantee that executive-branch policy will reflect the president's views.

The problem is that few politicians on the right have more than a surface-level understanding of this issue. Nearly all the scholarship on the administrative state has been done by left-wing academics for left-wing purposes. Most appointees who have served in Republican administrations have been content to get along with the administrative state—tinkering on the margins of policy without trying to change the system. Their dearth of knowledge has led to reform proposals that are often vague, unfeasible and half-baked.

In the modern era, only two teams have attempted to curb the administrative state's power: Ronald Reagan's Office of Personnel Management, led by Donald Devine, and Mr. Trump's Office of Presidential Personnel, led by John McEntee. Both men installed political loyalists among the presidents' appointees and took major steps to curtail career bureaucrats' power. Mr. Devine used reduction-in-force exercises—government-speak for layoffs—when employees' work wasn't up to snuff. Mr. McEntee began eliminating civil-service protections for policy-making bureaucrats, among other measures. Both men moved the bureaucracy's culture in the right direction, but because of limited time in office they weren't able to finish the structural reforms for lasting changes.

> Trump, DeSantis and Robert F. Kennedy Jr. recognize the need to reassert political control.

The only way the next president can solve the problem for good is to assemble the right team from the beginning. It is necessary but insufficient to fill the executive branch's roughly 4,000 political positions with appointees committed to the president's agenda. He needs a White House made up of people with first-hand knowledge of how bureaucratic politics operate and the will to use that knowledge for a system overhaul. It isn't enough to have competent conservatives. As president you need people who can outsmart the bureaucrats by devising unconventional ways around the obstacles they'll erect.

There are things these operatives need to know. The first is which positions are critical choke points and which are mostly ceremonial. One must recognize when an agency is a lost cause that should be gutted vs. when it should be restaffed. One must also know which positions require a subject-matter expert vs. a politically aligned appointee who may lack expertise.

Staff must be well-versed in the Civil Service Reform Act of 1978, which can be used to rein in bureaucracy without congressional action. It's also essential to know how to restructure the management of the White House, which has become its own sprawling bureaucracy of career officials.

In his presidential announcement speech, Mr. Kennedy explained that the joke in Washington is that political appointees are expected to go through the motions—not make waves—and sign off on whatever policy the civil servants produce. His response was straightforward: "I get the joke, but I don't think it's funny."

The next president needs to embrace that mindset and the people who share it.

Mr. Bacon is a senior adviser to the Heritage Foundation's Presidential Transition Project. He served as White House director of operations for presidential personnel, 2020-21.

The IRS Wants to Prep Your Taxes

By Jason Altmire

I have long supported efforts to ensure the Internal Revenue Service has the tools necessary to perform its two essential functions: responsible tax collection and enforcement. Now that Congress has finally done so in the Inflation Reduction Act, the IRS is seeking to expand its remit to include tax preparation. This is a mistake.

Former Commissioner Charles Rettig estimated that America's tax gap—the amount the U.S. loses annually in unpaid taxes—had grown to an astonishing $1 trillion in 2021. A previous IRS estimate found that $441 billion in taxes had gone unpaid in the three years between 2011 and 2013. The Inflation Reduction Act's cash infusion was designed to address this uptick in tax losses.

The IRS should be devoting its new resources to rebuilding its capacity to close the tax gap. Instead, the unpopular agency appears to be diverting its attention to creating an IRS-run electronic tax-filing system, which the agency argues will improve taxpayers' overall experience. It's doing so despite the proven ability of private firms and nonprofits to perform this service, and despite the lack of public support for the IRS assuming this role.

In the Inflation Reduction Act, Congress gave the IRS $15 million to explore consumer attitudes toward an agency direct-file system. An "independent third party" was to report on "the overall feasibility, approach, schedule, cost, organization design, and Internal Revenue Service capacity to deliver such a direct e-file tax return system."

When the MITRE Corp., which operates the Treasury Department's federally funded research-and-development center, studied the issue in 2022, it found little public appetite for such a system unless the IRS could also prepare state returns and more-complicated federal ones.

Yet this May the IRS released a new study it had commissioned from New America, an organization that has long supported the creation of an IRS direct-file system. Not surprisingly, the study concluded that "a potential Direct File system might create opportunities to ease the burden of tax filing for Americans."

The House Ways and Means Committee and the IRS have had a long track record of collaborating to keep the agency aware of the American people's concerns. This collaboration has inspired such measures as the electronic-returns system, midyear tax-refund programs, increased taxpayer rights and accountability measures. The IRS must continue to collaborate effectively with lawmakers to find the best way forward.

> 'Direct file' is a waste of time and money. Private companies and nonprofit organizations do just fine.

If Congress wants to help low- and moderate-income tax filers prepare their taxes, it should reallocate resources for the Volunteer Income Tax Assistance Program while supporting other nonprofit tax preparers. The IRS shouldn't allow the IRS to take on this redundant task that could distract it from its essential function of maximizing revenue. This is especially true given that the proposed new system would still require private and nonprofit systems to assist with filing state returns.

Focusing on the long-neglected collections and enforcement process should be the priority for the IRS, not entering into the tax-preparation business, which is already functioning well.

Mr. Altmire, a Democrat, served as a U.S. representative from Pennsylvania, 2007-13.

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TECHNOLOGY: AMAZON SETTLES U.S. COMPLAINTS OVER RECORDINGS, SURVEILLANCE B4

BUSINESS & FINANCE

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Franklin Resources to Buy Putnam

Asset manager to pay as much as $1.3 billion in stock and cash in its latest effort to bulk up

By Justin Baer and Dean Seal

Franklin Resources added to its recent acquisition spree Wednesday, agreeing to buy rival money manager Putnam Investments.

Franklin said it would pay Putnam's owner, **Great-West Lifeco**, a Canadian insurance and retirement-services company controlled by Power Corp. of Canada, as much as $1.3 billion in stock and cash.

Putnam managed about $136 billion in assets as of April.

Surging demand for low-cost index funds and the digitization of finance have ratcheted up the pressure on traditional asset managers to slash expenses, gain scale and expand into so-called alternative-investing businesses that command higher fees.

Franklin has emerged in recent years as one of the industry's most-active acquirers, snapping up Legg Mason, private-equity manager Lexington Partners and Alcentra, a European credit investor. Upon completion of the Putnam deal, it would manage more than $1.5 trillion.

Franklin found a successful formula for deals by preserving the independence of the investing teams it acquires while absorbing the operations that support them, Franklin Chief Executive Jenny Johnson told The Wall Street Journal.

"When you're acquiring people and investment processes, you don't mess with them," she said. Franklin is still looking to build out its offerings in infrastructure investing, she added.

Franklin will add Putnam investment teams and funds that have found success selling through retirement plans and insurers. And through a new partnership with Great-West and Power Corp., the money manager will expand its presence on their investing platforms, including 401(k) recordkeeper Empower, Canada Life and IG Wealth Management.

Putnam, founded in 1937, was one of the Boston investment firms that helped popularize mutual funds. But as investors turned to funds that track indexes, trillions of dollars flowed out of those managed by traditional stock-and-bond pickers.

Putnam is now dwarfed by rivals BlackRock and Fidelity Investments.

Franklin shares declined

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Global Oil Pricing Standard To Include U.S. Crude

The energy world has for decades looked to oil rigs 100 miles off the coast of Scotland's northernmost islands to help set the price of global crude. All eyes are now turning to Texas instead.

Starting with deliveries that arrive Thursday, a type of U.S. oil will factor into calculations for the price of Brent crude. It

By David Uberti, Bob Henderson and Joe Wallace

is the first time that a non-European grade will be used to help compute the global pricing standard, a sign of how energy markets have been reshaped in America's image.

Brent is an international benchmark that underpins prices for much of the crude and liquefied natural gas that trades globally each day, tying Nigerian oil wells and Chinese refiners to the flickering screens of Wall Street. It can

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Companies Face Strains in Debt Markets

By Matt Wirz

The stock market is near a one-year high, giving many investors comfort. But down below, debt markets are creaking under the strain of rising interest rates.

Lending conditions for companies, consumers and real-estate developers tightened this spring to levels not seen since the height of the Covid pandemic, an analysis of public and private lending data by The Wall Street Journal shows.

The flow of cash on Wall Street was already slowing this winter, but recent turmoil in regional banks made it worse.

The slowdown is a consequence of the Federal Reserve's interest-rate-hiking campaign against inflation, and it means there is now less money available for U.S. businesses and households to hire new workers, build plants and pay the bills.

To be sure, people have been predicting a recession for months, and it hasn't come. Jobs numbers, which analysts commonly use to gauge economic health, are gangbusters.

But warning signs are flashing in the typically more conservative debt market, which moves money from banks and other lenders to businesses and families. A credit crunch that hit commercial real estate this spring might be a leading indicator for the economy as a whole.

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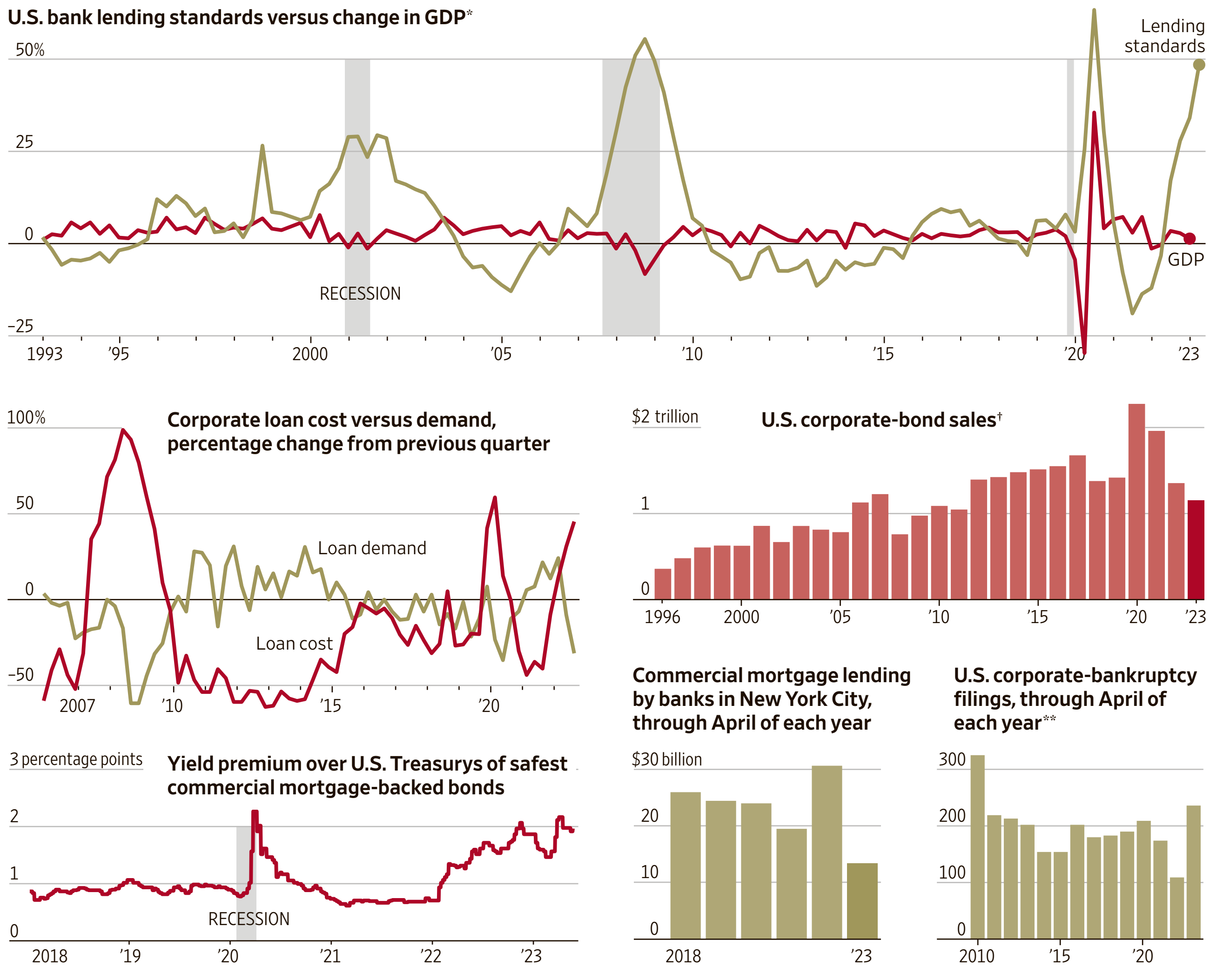

*Percentage of bankers tightening lending standards. Averages responses across corporate, consumer and commercial real-estate loans. GDP change is over previous quarter and seasonally adjusted at annual rates. †2023 figure is an extrapolation based on year-on-year issuance through March 31. ‡The bonds have triple-A credit ratings, higher than U.S. Treasurys. **Includes companies with public debt with assets or liabilities of $2 million or more and private companies with assets or liabilities of $10 million or more.

Sources: Federal Reserve (lending standards vs GDP), Ares Management, Federal Reserve (Corporate loan cost versus demand); UBS, Bloomberg, Sifma (U.S. corporate-bond sales); Citigroup (yield premium over Treasurys); Maverick Real Estate Partners (commercial mortgage lending); S&P Global Market Intelligence (bankruptcy filings)

ESG Bids Defeated At Exxon, Chevron

By Collin Eaton and Jenny Strasburg

An investor-driven climate-change push at some of the world's largest oil companies has stalled out.

On Wednesday, **Exxon Mobil** and **Chevron**'s shareholders struck down proposals urging the companies to cut greenhouse-gas emissions derived from fuel consumption, put out new reports on climate benchmarks and disclose certain oil-spill risks, among other initiatives.

The votes were abysmal for climate activists. All but two of the 20 shareholder proposals for the two companies garnered less than 25% of investors' vote, according to preliminary results, with some performing much worse than similar proposals put forward last year.

Among the most contentious proposals would have had the companies adopt targets for reducing emissions including those from third-party consumption of their products,

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Adidas Hypes Yeezys Even In Clearance

By Trefor Moss

Adidas released the first batch of more than $1 billion worth of Yeezy-branded sneakers, putting in motion the final steps in the monthslong dissolution of its once-lucrative collaboration with rapper Kanye West.

The release, which Adidas promoted with an online countdown clock, was hotly anticipated by sneaker fans, eager to get their hands on what will be the final pairs of the popular shoe. Some earlier versions of Yeezy sneakers have become collectors' items, fetching as much as $1,000 a pair on resale websites.

For Adidas, the move marks the awkward start to the final chapter of its disentanglement with West, after a series of antisemitic remarks and erratic behavior that made the musician and designer persona non grata to many of his one-time corporate partners.

The company has wrestled for months with how to dispose of all the unsold shoes it had in inventory when it ended its partnership with West last October, at which point it halted sales of the line.

Adidas in recent weeks said it would resume sales of its Yeezy stock and donate some of the proceeds to antiracism organizations, though it hasn't disclosed how much. It has also said it would pay royalties to West, who is now known as Ye, under the terms of his contract.

Despite the unique circumstances behind this Yeezy

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Restitution From Holmes Is Unlikely

By James Fanelli And Corinne Ramey

Convicted fraudsters Elizabeth Holmes and Ramesh "Sunny" Balwani are on the hook to pay $452 million in restitution for lying to investors about Theranos, but the chances of victims getting all their money back are slim.

Holmes, who founded the blood-testing startup, surrendered to authorities on Tuesday to begin a sentence of more than 11 years in prison after being found guilty of fraud-related charges in a California federal court in 2022. Balwani, who was convicted of 12 fraud counts in a separate trial, already started serving his sentence of nearly 13 years in prison.

In mid-May a federal judge determined the amount of restitution, or the money taken from victims that the Justice Department can seek to collect from defendants. U.S. District Judge Edward Davila identified 14 Theranos investor victims. Some are individuals, including Rupert Murdoch, executive chairman of News Corp, which owns The Wall Street Journal. He is owed $125 million. Others are companies including **Walgreens Boots Alliance**, which is owed $40 million in restitution.

While the two defendants once lived lavish lifestyles, traveling on private jets, staying in luxury hotels and driving expensive cars, Holmes and Balwani each told court officers that their resources have dwindled.

Holmes's lawyers told the judge that she had no assets of meaningful value. Her former lawyers in a separate civil case in Arizona said she had limited means. Those lawyers were allowed to withdraw as her counsel after saying in a 2019 filing that they hadn't been paid for their legal services in a year and, given her financial situation, didn't believe they ever would.

Balwani has told the court that he has millions of dollars in assets, but he sold a property for $15 million shortly before his trial began to help

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EPA/SHUTTERSTOCK

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ANN WANG/REUTERS

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Investors bet that megafirms like Nvidia aren't too big. **B12**

U.S. Manufacturers Seek China Alternatives

By John Keilman

Fears of military conflict and increasing security worries have some U.S. manufacturers re-evaluating their reliance on China.

Executives are plotting alternate supply chains or devising products that can be made elsewhere should China's hundreds of thousands of factories become inaccessible. That prospect became more conceivable, they said, after the 2022 invasion of Ukraine prompted companies to sever ties with Russia, sometimes taking huge write-downs.

U.S. companies were further rattled after Chinese authorities recently questioned workers at Boston-based consulting firm Bain & Co. and raided the Beijing offices of Mintz Group, a due-diligence firm based in New York. The government has also barred major Chinese firms from buying products made by U.S. semiconductor company **Micron Technology**, citing national-security risks.


TIM GRUBER FOR THE WALL STREET JOURNAL

Grey Duck Outdoor is making some products in the U.S. now.

Foreign companies have had issues in China for years, but the growing tensions have unnerved businesses like **Grey Duck Outdoor**.

The Minnesota-based watercraft maker contracts with Chinese factories to produce paddleboards, taking advantage of the country's low costs and efficiency.

Owner Rob Bossen said all of his paddleboard suppliers, including companies that make foam, resins and injection-molded plastics, operate within a few miles of each other in the Shenzhen area. Bossen has good relations with his business partners, he said, but Russia's invasion caused him to imagine what might happen if a similar disruption takes place in China.

"There's risk to having all your eggs in the China basket," he said.

Companies like Grey Duck are in a bind, industry officials said. China's access to raw materials and ability to produce components for finished goods remains unmatched, and its dense supplier networks have yet to be replicated elsewhere.

China accounts for 31% of global manufacturing, according to the United Nations Industrial Development Organization, nearly twice the 17% share of the U.S. It is also an important market for many U.S. companies.

Some executives say that the business interests of the U.S. and China remain aligned. According to China's foreign ministry, Elon Musk said during a trip to China this week that the countries' economies shouldn't be decoupled. **Apple** Chief Executive Tim Cook said during a March visit that Ap-

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BUSINESS & FINANCE

Spirits Maker Diageo Accused of Neglecting Diddy Tequila Venture

By Jennifer Maloney

Sean "Diddy" Combs sued **Diageo**, alleging that the spirits company has neglected the DeLeón tequila brand it co-owns with the music mogul. At the same time, the lawsuit says, Diageo has poured resources into two other tequilas, including Casamigos, the George Clooney-backed brand that Diageo agreed to buy in 2017 for up to $1 billion.

Combs also accused Diageo of racial discrimination, alleging in a court filing that the company had pigeonholed DeLeón as "urban" and described it as a "Black brand."

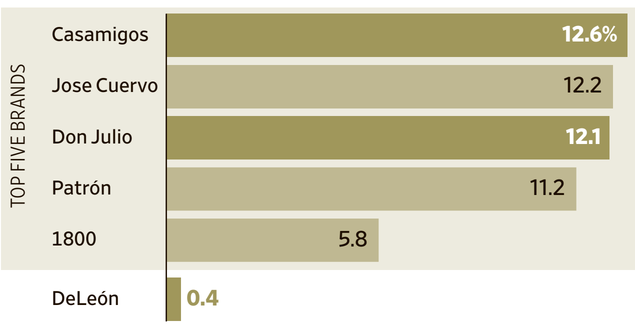
Diageo denied the allegations. "This is a business dispute, and we are saddened that Mr. Combs has chosen to recast this matter as anything other than that," a company spokeswoman said.

Combs Wines and Spirits, a company owned by Combs, filed the complaint Wednesday in New York State Supreme Court in Manhattan against Diageo's North American business. Combs is seeking an injunction to compel Diageo to comply with their 2013 joint-venture agreement, as well as subsequent written agreements between Combs and Diageo to resolve complaints by Combs, according to the court filing.

MIKE COPPOLA/GETTY IMAGES

Sean 'Diddy' Combs.

U.S. market share of tequila brands



Source: Bump Williams Consulting analysis of Nielsen data

Combs for years has complained to Diageo executives about how the spirits giant has managed DeLeón, according to the court filing. Among the issues he raised: chronically out-of-stock products, a tiny distribution footprint, a botched redesign and confusing changes on pricing.

In 2013, Combs Wines and Diageo formed a joint venture to purchase DeLeón, a little-known tequila brand that at the time was sold in some Hollywood bars for more than $1,000 a bottle. Diageo already had a stake in one tequila brand, Don Julio, and within a few years would take full control of that brand and add a third to its portfolio: Casamigos.

Casamigos is now the top-selling U.S. tequila brand, representing 12.6% of tequila sales in U.S. retail stores, according to an analysis of Nielsen data by consulting firm Bump Williams. Don Julio is the No. 3 brand, with 12.1% of tequila sales. DeLeón ranks 28th, representing 0.4% of tequila sales. DeLeón sells in retail stores for between $40 and $60 a bottle. In 2022, DeLeón was distributed in 3.3% of retail outlets, compared with 36% for Don Julio and 34.4% for Casamigos, according to the court filing.

In 2019, Diageo executive Stephen Rust told Combs that race was one of the reasons the company had limited its distribution of DeLeón and Cîroc vodka, according to the court filing. In that exchange, Rust said that if Combs were Martha Stewart, his brands would be distributed more broadly, according to the court filing.

Diageo said Wednesday that it has treated Combs fairly.

U.S. Firms Shift Away From China

Continued from page B1

ple and China have helped each other grow over recent decades.

PPG, a Pittsburgh-based paint-and-coatings company, has 15 factories and about 4,000 employees in China. Almost all of the products made there are used there, putting China in the top three countries for PPG sales, CEO Tim Knavish said.

The company has strategized about how to take appropriate action in China if needed, Knavish said. PPG last year took a $290 million write-down on most of its Russia business after the Ukraine invasion.

Knavish said PPG is being extra cautious with its intellectual property and data within China. A revised espionage law allows authorities there to inspect a company's facilities and electronic equipment.

"We're not putting our head in the sand here," he said. "We see what's going on, and naturally it's very concerning to us. We're being extremely prudent about any additional investments that we make in China."

Dan Harris, an attorney who advises companies doing business in China, said other executives remain blasé about the possibility of being targeted by authorities.

"It's very difficult to care about a raid on the Mintz Group when you can have your widgets made in China for 15% less and it'll cost you a fortune to move," he said.

Mintz has said the firm is licensed to operate in China and follows the law there. Bain has said it was cooperating with Chinese authorities. A representative of the Chinese Embassy in Washington, D.C., said authorities had carried out "normal law enforcement actions" meant to safeguard national security and development interests.

TIM GRUBER FOR THE WALL STREET JOURNAL (2)

Minnesota's Grey Duck Outdoor has begun making its canoes in a facility near the Twin Cities.

"Foreign companies and their products are welcome to the Chinese market as long as they abide by Chinese laws and regulations," the spokesman said.

Harris sees other bad omens, such as a court system that he said has become increasingly unfriendly to U.S. companies. Some businesses are plotting a departure, he said, but are finding no easy equivalent to their setups in China. Vietnam, for example, has become so popular that manufacturing space is now hard to find, he said.

David Alexander of Florida-based Baysource Global, which connects American companies with Asian contract manufacturers, said it remains "business as usual at the factory level" within China, though companies looking to set up new ventures are now considering other destinations instead of defaulting to the country.

"It's politics on both ends that are really impacting all the rhetoric," he said. "These factories still need to stay in business."

Ventilator company **CorVent Medical** relies on Chinese plants for the stamped sheet metal, microblowers and other components that go into its products. But CEO Richard Walsh said that process hasn't always gone smoothly.

Substitute parts sometimes get into the supply chain, he said, which is a problem when a product needs the authorization of the U.S. Food and Drug Administration. CorVent once received 1,300 bag valve masks that weren't FDA-approved, and thus couldn't use them. The company ended up donating them to a Ukrainian relief group, Walsh said.

That headache came on top of spiraling costs and shipping that stalled during Covid-related logjams. CorVent is opening its own factory in Fargo, N.D., to assemble the ventilators, but with 60% to 70% of the parts coming from China, Walsh said it would likely take years to switch to domestic sources.

CorVent is trying to assemble that supply chain with help from the Reshoring Initiative, a nonprofit that advocates for the return of U.S. manufacturing jobs. The company is braced for higher prices and slower service than it receives in China, but Walsh said medical devices such as ventilators are too important to be cut off by the threat of war or a trade embargo.

"The quicker we can get away from the Chinese components the safer we'll all be," Walsh said.

Grey Duck is seeking to blunt its China exposure with new products made in the U.S. It has begun making canoes in a facility near the Twin Cities, and Bossen said he might add other domestically produced watercraft to the lineup.

The ease of manufacturing in China is prompting Bossen to stick with the country for his paddleboard production. Though he has grown leery of China's surveillance practices, such as hotels that take photos of guests during check-in, he said he would probably visit again.

"When you're boots on the ground there, you get a feel for the factory's health and the general business health of the people you're working with," he said.

Grey Duck contracts with Chinese factories to make paddleboards.

Watch a Video

Scan this code for a video on the battle over China's control of ports.

Adidas Hypes Yeezys

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product launch, in recent days Adidas has ramped up the marketing hype much as it would with the release of any highly coveted product.

The Yeezy channel on its website featured a countdown to the moment when the first two Yeezy models—the Boost 350 V2 in two color schemes—would become available early Wednesday. And in a sign of the fierce demand that Adidas expected from sneaker fans, it invited consumers to sign up for a prize draw through which the $230 shoes would be allocated.

On social media, there was plenty of buzz about the release among sneaker fans.

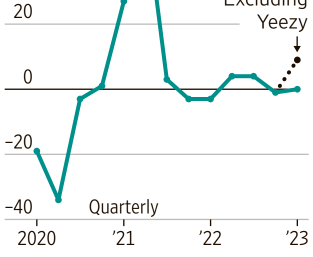
Still, the sensitivity around West's racist remarks led Adidas to tread carefully as it considered various options for the sneakers, according to Chief Executive Bjørn Gulden. Having ruled out selling the shoes as normal, the company mulled burning the sneakers, giving them away or selling them after removing the Yeezy branding, before finally opting, in consultation with antiracism groups, to sell the shoes and donate some of the proceeds to charity.

Adidas recently said that the Anti-Defamation League, which fights antisemitism and other forms of prejudice, and the Philonise & Keeta Floyd Institute for Social Change, founded by George Floyd's brother Philonise, would be among the recipients of donations from the Yeezy selloff. The Anti-Defamation League praised Adidas for reaching "a very positive outcome."

The unraveling of the Yeezy collaboration, which analysts estimate contributed around 8% of Adidas's total revenue, has been a blow for the company. Adidas has lost money in recent quarters and said that a failure to sell the Yeezy inventory could result in hundreds of millions of euros of losses.

The Yeezy channel on the Adidas website shows images of 14 models including the two that have been made available, suggesting that 12 more products are set for release over the coming weeks.

Adidas's currency-neutral net sales, change from a year earlier



Source: the company

Holmes Restitution Unlikely

Continued from page B1

cover his legal fees, according to court filings.

Both Holmes and Balwani face ongoing civil litigation connected to Theranos. Lawyers for the two didn't respond to requests for comment. Holmes is appealing the restitution order.

Federal defendants, if they can, must begin reimbursing victims as part of their probation or supervised release, although some start making payments while serving time in prison.

In an effort to collect restitution, the Justice Department enforces judgments on identified assets and sometimes seeks garnishment of tax returns, but the amount of money actually recouped in most cases is low, lawyers said.

"It's highly unusual for any victim to get much in restitution," said lawyer Nicholas Gravante Jr., a partner at the firm Cadwalader, Wickersham & Taft. "Almost every defendant I've had convicted of fraud has had a restitution order entered against them. Typically nobody wastes their time chasing them."

Some investors had long ago written off their losses on Theranos. Murdoch, for instance, agreed to sell his $125 million of shares back to Theranos for a nominal amount in 2016 in order to realize his losses in that calendar year, the Journal has reported, allowing him to offset taxes on other investment gains.

Collecting restitution has been a longstanding challenge for the Justice Department.

In fiscal year 2022, the department collected $553 million in restitution owed to nongovernment victims, and ended the year with $15 billion in debts to these victims that it deems possible to collect.

Those figures don't include money the government thinks it has no hope of recovering.

A previous report by the Government Accountability Office, analyzing 2016 fiscal year data, found that the department had $110 billion in unpaid restitution, $100 billion of which was deemed uncollectible.

A Justice Department spokesman said that restitution is imposed without consideration of a defendant's ability to pay, and recovery largely depends on whether a defendant has assets to repay victims. Over the past three years, the department has recovered more than $2 billion for victims of crime, the spokesman said.

In fiscal year 2021, judges ordered restitution in 12.4% of cases with individual offenders, for a total of $8.5 billion, according to U.S. Sentencing Commission data. The most common types of cases with restitution were those involving taxes, arson and fraud-related crimes, the commission said.

U.S. attorney's offices typically have limited staffing for collecting restitution, according to Alex Wilson, a former federal prosecutor and partner at the law firm Jones Day.

"You tend to have more focus on asset recovery in cases with victims who really need the recovered money," Wilson said. High-profile cases like Holmes's are also given priority, he added.

At its height, Theranos was valued by investors at more than $9 billion. Holmes testified at trial that she owned half of the company, with a paper value of around $4.5 billion. The startup dissolved in 2018.

Holmes reported to the court that she lives with her partner, Billy Evans, with whom she has two young children, on an estate with monthly expenses exceeding $13,000. She has said that Evans covers the costs, court filings show.

Holmes listed patents that she holds or intends to work on as a potential future source of income.

Under the law, she is liable for the restitution until 20 years after being released from prison.

Howard Master, a partner at the investigations firm Nardello & Co., said that after a conviction, prosecutors lack tools such as search warrants and subpoenas, making it unlikely they would find any additional assets.

Salesforce Profit Rises as Efficiency Efforts Bear Fruit

By Denny Jacob

Salesforce on Wednesday posted higher first-quarter profit as margins came in ahead of the company's expectations, a sign that cuts from its nascent turnaround plan are taking hold.

The quarterly earnings and revenue topped Wall Street expectations. The business-software provider also boosted its earnings outlook and margin targets for the year, while backing revenue guidance.

Chief Executive Marc Benioff said the results showcased its new emphasis on cost management, which came after pressure from shareholders earlier this year. "We continue to scrutinize every dollar investment, every resource, and every spend," Benioff said on a call with investors.

28%

New expectation for operating margins in 2023, up from 27%

Shares fell 3.3% in after-hours trading to $216.

For the quarter ended April 30, Salesforce logged net income of $199 million, or 20 cents a share, compared with a profit of $28 million, or 3 cents a share, a year earlier. Adjusted earnings were $1.69 a share, above analysts' estimates of $1.61, according to FactSet.

Revenue rose to $8.25 billion from $7.41 billion. Analysts polled by FactSet expected $8.18 billion.

The results come as Salesforce is undergoing a turnaround. The San Francisco-based company has faced a sales slowdown and pressure from activist investors in recent months before outlining changes.

Earlier this year, Benioff said the company has entered a new era of efficiency and careful spending, and suggested it would no longer be using expensive acquisitions to grow.

Its efforts have been paying off. Through Wednesday's close, Salesforce shares are up by more than two-thirds this year, more than double the rally of the tech-heavy Nasdaq Composite Index.

The company also has plans to do more with artificial intelligence. Benioff on Wednesday said Salesforce will infuse generative AI across its product portfolio, the latest company to make plans to incorporate the burgeoning technology into its operations.

For the current year, Salesforce now expects adjusted operating margins around 28%, up from its prior projection of 27%. Last year, Salesforce executives laid out to analysts a plan that would boost its adjusted operating margins to 25% by 2026. Before 2022, the company's margin was perennially less than 20%.

Benioff said Salesforce remains confident it will achieve 30% in adjusted operating margins in the first quarter of fiscal 2025.

The company forecast adjusted earnings between $7.41 and $7.43 a share, up from its prior forecast in the range of $7.12 to $7.14 a share.

For the second quarter, the company projected revenue between $8.51 billion and $8.53 billion and adjusted earnings between $1.89 and $1.90 a share. Analysts polled by FactSet expected around $8.5 billion in revenue and adjusted earnings of $1.70 a share.

—Tom Dotan contributed to this article.

SPENCER PLATT/GETTY IMAGES

IKEA has been generating a higher proportion of sales online in recent years, as the pandemic supercharged the shift to e-commerce.

IKEA to Boost E-Commerce Capability With Software Deal

By Trefor Moss

IKEA said it would buy U.S. supply-chain software provider Made4net, as the furniture giant aims to make its growing e-commerce business faster and more precise.

Ingka Group, the biggest owner and operator of IKEA stores, said Wednesday that it was acquiring 100% of the Teaneck, N.J., company for an undisclosed fee to boost its capability to serve online shoppers.

"We realized that we need to prepare for the future," said Wim Blaauw, Ingka's chief digital officer.

As online orders continued to grow fast, the company needed to invest in "state of the art" technology to ensure the customer experience for digital shoppers kept improving, he said.

Famous for its cavernous blue-and-yellow stores filled with flat-pack furniture and household goods, IKEA has been generating a higher proportion of its sales online in recent years, with the Covid-19 pandemic having supercharged the shift to e-commerce. Last year, Ingka made a quarter of its sales online, up from 7% before the pandemic, Blaauw said.

Buying Made4net will enable Ingka's staff, who routinely fulfill online orders both from IKEA stores and from separate warehouses, to locate and dispatch products more quickly and with greater accuracy, the companies said.

Made4net, which was founded in 2005 and employs around 200 people, will continue to operate as a standalone company and will keep serving existing and new customers alongside Ingka, said Duff Davidson, its chief executive.

The company's warehouse-management and supply-chain software will allow Ingka to improve customers' experience, he said.

The move for Made4net is only the third 100% acquisition Ingka has made, with its previous two deals also being purchases of U.S. companies. It bought on-demand hiring platform TaskRabbit in 2017 before acquiring 3D-visualization company Geomagical Labs in 2020.

The latest move comes as the retailer looks to expand in the U.S.

The latest deal comes as IKEA looks to expand in the U.S. Ingka recently said it would invest $2.2 billion in opening 17 new stores over the next three years.

In April, the company separately said it would spend more than $3 billion globally upgrading its existing stores to improve customer experience, including investing in technology to enhance its ability to process orders.

Ingka decided to buy Made4net rather than merely license its software because order fulfillment is central to IKEA's operations and the company wanted to own that key stage in the selling process, Blaauw said. For an online retailer, "fulfillment is the bread and butter," he said.

The new software is set to start rolling out across IKEA stores next year but will likely take several years to compete globally, Blaauw said.

Meta Asks Court to Block FTC Sanctions

Government says the company has continued violating user privacy and a 2019 settlement

By Ryan Tracy

WASHINGTON—**Meta Platforms** asked a federal court Wednesday to block the Federal Trade Commission's attempt to impose new sanctions on the company for alleged privacy violations, escalating a legal battle that has reopened years-old accusations against the tech giant.

Meta, the owner of Facebook, Instagram and WhatsApp, asked the U.S. District Court for Washington, D.C., to stop a legal proceeding the FTC launched May 3.

The agency accused Meta of violating a $5 billion privacy settlement from 2019 and sought to add new prohibitions, such as a ban on the company profiting off data it collects about young users.

The FTC ordered Meta to respond by Aug. 3. In its motion, the company argued that the FTC can't unilaterally change the original settlement, which included a consent order approved by the district court.

"The Consent Order is clear that only the federal court, not the FTC, can enforce or modify it," said a statement from Meta spokesperson Dina El-Kassaby Luce.

The FTC had no immediate comment.

The company is also disputing the FTC's claims that it violated the privacy settlement. "We take our compliance obligations seriously under the Order and have made massive investments to build a comprehensive privacy program that is working well," El-Kassaby Luce said.

If Meta is successful, the FTC would have to find another route for pursuing its allegations.

The agency is accusing Meta of misrepresenting its privacy protections in recent years, for example by telling parents—allegedly falsely—that users of the Messenger Kids app could only communicate with parent-approved contacts.

More broadly, the FTC's current Democratic leadership, including Chair Lina Khan, is unsatisfied with the 2019 settlement, which was entered into when Republicans were leading the agency.

Democrats have long questioned whether the deal made sufficient changes to the company's business incentives to prevent future privacy violations.

Republicans and Meta have pointed out that the $5 billion fine set a record and that the settlement also mandated a series of steps by the company to improve privacy protections.

Meta on Wednesday argued that the agency can't seek major changes at the company simply by modifying the years-old settlement.

AL DRAGO/BLOOMBERG NEWS

FTC Chair Lina Khan

Facebook Parent Threatens to Pull News in California

By Alexandra Bruell And Christine Mai-Duc

Facebook parent **Meta Platforms** is threatening to pull news from its sites in California if the state passes a law requiring technology platforms to pay publishers, the latest in a series of warnings from the company as various governments consider similar legislation.

The bill is set to receive a vote on the California assembly floor Thursday, and, if it passes, would move to the state Senate. The legislature's final deadline for passing bills this year is Sept. 14.

"If the Journalism Preservation Act passes, we will be forced to remove news from Facebook and Instagram rather than pay into a slush fund that primarily benefits big, out-of-state media companies under the guise of aiding California publishers," Meta spokesperson Andy Stone tweeted on Wednesday.

That means users in California wouldn't be able to read, post or share news on Instagram or in Facebook's news feed, Stone said.

The California bill could inspire a revision of a similar federal bill pending in Congress, said Danielle Coffey, CEO of News Media Alliance, a trade association for the news and magazine industries.

Under the provisions of the California bill, Meta and other major online platforms would be required to pay a "usage fee" to eligible news publishers. The amount of that fee would be based on a percentage of advertising revenue the platform receives and set through an arbitration process. News publishers would be required to spend 70% of profits from such fees on journalism personnel.

The purpose of the California legislation is to seek compensation for publishers based on the value they create for technology platforms. There is no cap on the size of publishers who can join the effort.

The federal bill that is pending in Congress, the Journalism Competition and Preservation Act, is meant to allow U.S. publishers to band together to negotiate for payment from tech platforms without violating antitrust laws. Unlike the California proposal, the federal bill does cap the size of participating publishers. "Legislation in California sends a message that the U.S., like other countries around the world, supports big tech compensating content creators for quality journalism," Coffey said.

Meta lobbed a similar threat in December after JCPA was attached to the National Defense Authorization Act, a bill focused on national security, The Wall Street Journal previously reported.

Amazon Settles U.S. Complaints Over Recordings, Surveillance

By John McKinnon

WASHINGTON—**Amazon.com** agreed Wednesday to pay $30.8 million to settle claims that it improperly retained children's Alexa voice recordings and allowed employees of its Ring video doorbell unit to surveil customers.

One Ring employee viewed thousands of video recordings of female users of security cameras that surveilled bedrooms and other intimate spaces in their homes, the Federal Trade Commission said in a complaint.

Ring also failed to implement standard security measures to protect consumers' information from two well-known hacking attacks, the FTC said, despite warnings from employees, outside security researchers and media reports.

Amazon agreed to pay $5.8 million to settle the Ring complaint, the FTC said.

Separately, Amazon agreed to pay a $25 million penalty for keeping children's voice and geolocation data for years in violation of the federal Children's Online Privacy Protection Act, known as Coppa, the FTC said.

"While we disagree with the FTC's claims regarding both Alexa and Ring, and deny violating the law, these settlements put these matters behind us," Amazon said. "As part of the settlement, we agreed to make a small modification to our already strong practices, and will remove child profiles that have been inactive for more than 18 months unless a parent or guardian chooses to keep them."

The FTC commissioners warned other companies against improperly retaining data as they race to keep up in the development of machine learning and artificial intelligence.

"Today's settlement sends a message to all those companies: Machine learning is no excuse to break the law," the commissioners said.

According to the children's privacy complaint, Amazon assured its users, including parents, that they could delete voice recordings and geolocation information collected through its Alexa voice assistant and app.

But the company failed to follow through on those promises and kept some of the information for years, using it to help improve its Alexa algorithm, the complaint said.

The settlement will require Amazon to delete inactive child accounts and certain voice recordings and geolocation information, and will be prohibited from using such data to train its algorithms or improve its products.

Both settlements will require approval by a federal judge.

Under the Ring settlement, the company will be required to delete data derived from videos it unlawfully reviewed. It also will be required to implement a new privacy and security program that includes multifactor authentication for both employee and customer accounts.

Ring, acquired by Amazon in 2018, sells internet-connected home-security cameras and related services. The company has claimed that its products offer greater home security and provide its users with peace of mind.

In the complaint, the FTC said Ring deceived its customers by failing to restrict employees' and contractors' access to its customers' videos. Improper access continued even after the company learned that an employee had gained access to video recordings belonging to female users, the complaint said.

Ring also failed to implement standard security measures to protect consumers' information from two well-known types of hacking attacks, despite warnings from employees, outside security researchers and media reports.

JESSICA HILL/ASSOCIATED PRESS

Ring sells internet-connected home-security cameras.

BRENDAN MCDERMID/REUTERS

Fidelity marked down its stake in the social-media company. Twitter's office in New York City.

Twitter Gets Valued at a Third of What Musk Paid

By Gareth Vipers

Twitter is valued at one-third of what Elon Musk paid for it in October, according to asset manager Fidelity, which again marked down the value of its equity stake in the social-media company.

Fidelity Blue Chip Growth Fund's stake in Twitter was valued at $6.6 million as of April 28, according to the fund's monthly disclosure released Sunday.

That is down from about $19.7 million at the end of October, shortly after Musk's takeover, and the third time Fidelity has marked down the value of its Twitter stake, public disclosures show.

The firm didn't disclose why it marked down the value of its position in Twitter, identified in filings by its new name X.

Fidelity didn't respond to a request to comment. The firm was one of several outside investors that helped finance the deal to take Twitter private.

Fidelity's adjusted value puts Twitter's overall valuation at about $15 billion, or roughly one-third of the deal price.

Twitter didn't comment.

Musk has faced a series of challenges since completing the $44 billion takeover. He ousted top executives and conducted sweeping layoffs as part of the company's overhaul. He has said radical changes were necessary to ensure Twitter didn't go bankrupt.

Meanwhile, Musk has lost major advertisers and publicly jostled with news organizations, politicians and former employees.

He has been adding and tweaking features to Twitter at a rapid pace and has ambitions to make it a major media platform. Last week, he hosted Republican Ron DeSantis's presidential campaign announcement on Twitter Spaces, an event that was marred by technical problems.

In May, Musk stepped back from the day to day running of the company, naming former NBCUniversal executive Linda Yaccarino as the new chief executive.

In March, Musk said Twitter employees would receive stock awards based on a roughly $20 billion valuation, according to an email viewed by The Wall Street Journal, less than half the purchase price. In the note to staff, Musk said he was optimistic about the social-media company's future.

"I see a clear, but difficult, path to a >$250B valuation," meaning stock granted now would be worth 10 times more, he said.

AI Tapped to Weed Out Products That Are Damaged

By Liz Young

Amazon.com is rolling out artificial intelligence across a dozen of its largest warehouses to screen items for damage before orders are shipped to customers.

The e-commerce giant said it expects the technology to cut the number of damaged items sent out, speed up picking and packing, and eventually play a critical role in the company's efforts to automate more of its fulfillment operations.

Amazon warehouse workers are responsible for checking goods for signs of wear and tear as they pick, pack and stow merchandise while meeting company-set targets measuring how many orders they handle per hour. Checking for damage can be time consuming given that most items are in fine condition, said Jeremy Wyatt, director of applied science at Amazon Robotics.

"That's cognitively demanding because obviously you're looking for something that's rare and it's not your primary job," Wyatt said.

Amazon estimates that fewer than one in 1,000 items it handles is damaged, though the total number is significant for the retailer, which handles about 8 billion packages annually.

The Seattle-based company is adding the technology at a time when retailers, supply-chain operators and software makers are searching for ways to use AI to speed up workflows and simplify supply-chain decision making. Amazon has been working to further automate its warehouses as it has struggled to find workers and looked to turn some of the most physically challenging and repetitive warehouse jobs over to robots.

Amazon's rollout is part of a broader push across the corporate world to bring more AI technology to logistics operations as companies try to manage complicated supply chains while keeping goods moving rapidly and reliably.

Logistics operators automating their warehouses have to build technology to take over jobs that are typically simple for humans, from picking and packing items to checking them for damage, said Rueben Scriven, research manager for the warehouse automation sector at research firm Interact Analysis.

Amazon estimates that fewer than one in 1,000 items it handles is damaged.

"For warehouse workers today, "when you're decanting a case into totes, it's a manual process," Scriven said. "It's very easy for someone to check if this is damaged or not. But if you wanted to automate that process, you then have to also find a way to identify where damaged items are."

For Amazon, reducing the number of damaged goods that ship out is crucial to improving the customer experience.

Amazon so far has implemented the AI at two fulfillment centers and plans to roll out the system at 10 more sites in North America and Europe. The company has found the AI is three times as effective at identifying damage as a warehouse worker, said Christoph Schwerdtfeger, a software development manager at Amazon.

The AI checks items during the picking and packing process. Goods are picked for individual orders and placed into bins that move through an imaging station, where they are checked to confirm the right products have been selected. That imaging station will now also evaluate whether any items are damaged. If something is broken, the bin will move to a worker who will take a closer look. If everything looks fine, the order will be moved along to be packed and shipped to the customer.

Amazon trained the AI using photos of undamaged items compared with damaged items, teaching the technology the difference so it can flag a product when it doesn't look perfect, Schwerdtfeger said.

MARISSA LESHNOV FOR THE WALL STREET JOURNAL

Amazon has been working to further automate its warehouses as it has struggled to find workers.

MARKETS DIGEST

EQUITIES

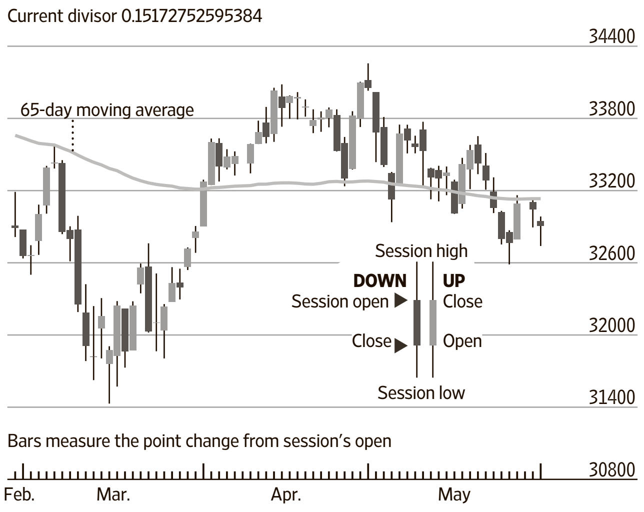
Dow Jones Industrial Average

32908.27 ▼134.51, or 0.41%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	21.93	18.66
P/E estimate *	17.35	17.13
Dividend yield	2.14	2.15
All-time high	36799.65, 01/04/22	

Current divisor 0.15172752595384



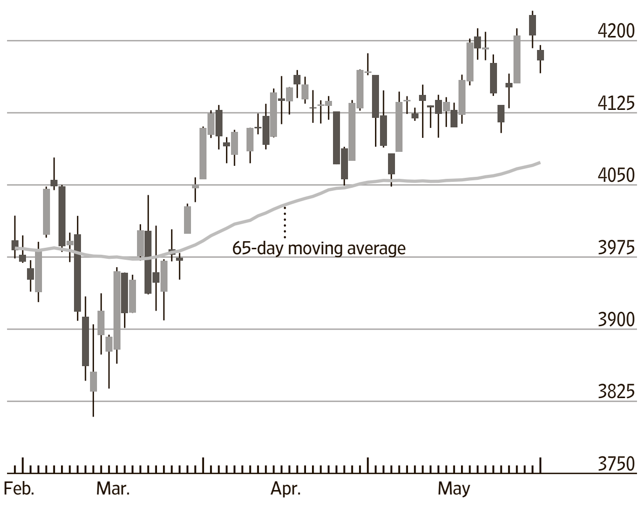
Bars measure the point change from session's open

S&P 500 Index

4179.83 ▼25.69, or 0.61%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *	18.37	21.09
P/E estimate *	18.55	17.63
Dividend yield *	1.67	1.54
All-time high	4796.56, 01/03/22	

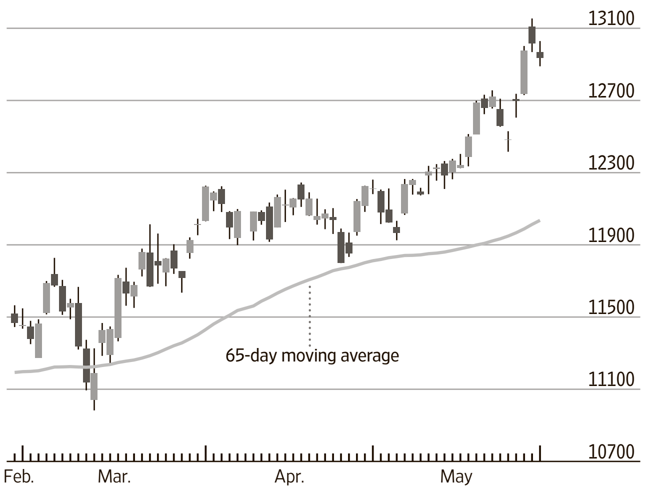


Nasdaq Composite Index

12935.29 ▼ 82.14, or 0.63%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *†	28.27	25.43
P/E estimate *†	26.67	22.01
Dividend yield *†	0.80	0.88
All-time high:	16057.44, 11/19/21	



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	Latest High	Latest Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg	% chg YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	32984.83	32739.73	**32908.27**	-134.51	**-0.41**	34589.77	28725.51	**0.3**	-0.7	**9.0**
Transportation Avg	13975.56	13672.43	**13709.74**	-255.90	**-1.83**	15640.70	11999.40	**-3.4**	2.4	**15.2**
Utility Average	904.14	888.08	**900.37**	7.98	**0.89**	1061.77	838.99	**-11.8**	-6.9	**3.7**
Total Stock Market	41779.62	41452.91	**41617.30**	-261.92	**-0.63**	43441.80	36056.21	**1.0**	8.0	**10.4**
Barron's 400	910.21	891.28	**895.36**	-14.85	**-1.63**	1023.20	825.73	**-7.1**	-2.7	**10.8**
Nasdaq Stock Market										
Nasdaq Composite	13029.08	12889.37	**12935.29**	-82.14	**-0.63**	13128.05	10213.29	**7.8**	23.6	**10.9**
Nasdaq-100	14375.38	14216.16	**14254.09**	-100.90	**-0.70**	14354.99	10679.34	**13.6**	30.3	**14.3**
S&P										
500 Index	4195.44	4166.15	**4179.83**	-25.69	**-0.61**	4305.20	3577.03	**1.9**	8.9	**11.1**
MidCap 400	2433.99	2392.77	**2406.67**	-33.70	**-1.38**	2726.61	2200.75	**-3.5**	-1.0	**10.9**
SmallCap 600	1140.99	1119.06	**1125.94**	-14.93	**-1.31**	1315.82	1064.45	**-8.6**	-2.7	**11.9**
Other Indexes										
Russell 2000	1765.41	1736.82	**1749.65**	-17.64	**-1.00**	2021.35	1649.84	**-5.7**	-0.7	**7.9**
NYSE Composite	14994.64	14810.57	**14887.14**	-107.50	**-0.72**	16122.58	13472.18	**-5.2**	-2.0	**8.0**
Value Line	535.62	526.63	**529.56**	-6.06	**-1.13**	606.49	491.56	**-8.4**	-1.3	**6.9**
NYSE Arca Biotech	5290.72	5203.50	**5236.75**	-6.32	**-0.12**	5644.50	4208.43	**15.0**	-0.8	**-2.4**
NYSE Arca Pharma	848.96	837.23	**846.58**	6.71	**0.80**	892.45	737.84	**1.2**	-2.5	**8.8**
KBW Bank	77.40	75.39	**76.16**	-1.93	**-2.47**	115.97	71.96	**-33.3**	-24.5	**0.8**
PHLX§ Gold/Silver	123.41	120.40	**122.39**	1.87	**1.55**	144.37	91.40	**-5.7**	1.3	**0.6**
PHLX§ Oil Service	70.47	69.16	**69.29**	-2.31	**-3.22**	93.94	56.08	**-17.1**	-17.4	**28.8**
PHLX§ Semiconductor	3531.39	3451.87	**3453.18**	-96.21	**-2.71**	3549.39	2162.32	**13.3**	36.4	**23.1**
Cboe Volatility	18.40	17.12	**17.94**	0.48	**2.75**	34.02	15.78	**-30.2**	-17.2	**-13.3**

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of $2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	After Hours Last	Net chg	% chg	High	Low
SPDR S&P 500 ETF Trust	SPY	19,876.2	417.70	-0.15	**-0.04**	418.15	417.47
Grab Holdings	GRAB	17,903.6	2.98	...	**unch.**	2.99	2.95
Cisco Systems	CSCO	17,103.3	49.67	...	**unch.**	50.05	49.53
Coca-Cola	KO	16,717.3	59.75	0.09	**0.15**	59.86	59.38
Medical Properties Trust	MPW	14,786.4	8.23	-0.02	**-0.24**	8.25	8.15
Elanco Animal Health	ELAN	13,807.2	8.29	0.14	**1.72**	8.29	8.08
C3.ai	AI	13,596.3	33.13	-6.88	**-17.20**	42.68	31.10
AT&T	T	12,729.9	15.76	0.03	**0.19**	15.78	15.64

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Chewy Cl A	CHWY	1,699.0	33.27	3.78	**12.82**	34.12	29.30
Pure Storage Cl A	PSTG	1,958.2	30.90	2.11	**7.33**	31.60	27.60
Nordstrom	JWN	981.1	16.40	1.10	**7.19**	16.90	15.30
Hudson Pacific Properties	HPP	536.6	5.00	0.33	**7.07**	5.00	4.57
Veeva Systems Cl A	VEEV	321.2	177.00	11.30	**6.82**	179.50	163.00

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
C3.ai	AI	13,596.3	33.13	-6.88	**-17.20**	42.68	31.10
Okta Cl A	OKTA	1,511.9	76.66	-14.24	**-15.67**	91.49	76.05
Lexicon Pharmaceuticals	LXRX	612.2	2.83	-0.47	**-14.24**	3.30	2.59
Victoria's Secret	VSCO	488.9	18.00	-2.42	**-11.85**	21.90	17.48
nCino	NCNO	95.0	24.35	-3.14	**-11.42**	27.49	23.50

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	2,163,638,841	19,760,300
Adv. volume*	833,396,909	7,577,385
Decl. volume*	1,296,896,635	10,549,825
Issues traded	3,074	318
Advances	1,295	147
Declines	1,687	149
Unchanged	92	22
New highs	20	2
New lows	117	24
Closing Arms†	1.36	0.71
Block trades*	5,188	120

	Nasdaq	NYSE Arca
Total volume*	5,905,762,188	344,403,347
Adv. volume*	2,740,164,476	118,615,719
Decl. volume*	3,112,185,558	225,331,587
Issues traded	4,609	1,763
Advances	1,872	501
Declines	2,569	1,248
Unchanged	168	14
New highs	51	6
New lows	202	47
Closing Arms†	0.83	0.68
Block trades*	28,124	1,483

* Primary market NYSE, NYSE American NYSE Arca only.
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	Latest % chg	YTD % chg
World	**MSCI ACWI**	**646.37**	−6.01	**−0.92**	6.8
	MSCI ACWI ex-USA	**290.65**	−4.32	**−1.46**	3.3
	MSCI World	**2800.56**	−25.04	**−0.89**	7.6
	MSCI Emerging Markets	**958.53**	−11.79	**−1.22**	0.2
Americas	**MSCI AC Americas**	**1581.85**	−9.73	**−0.61**	8.6
Canada	**S&P/TSX Comp**	**19572.24**	−167.46	**−0.85**	1.0
Latin Amer.	**MSCI EM Latin America**	**2198.34**	−43.95	**−1.96**	3.3
Brazil	**BOVESPA**	**108335.07**	−631.96	**−0.58**	−1.3
Chile	**S&P IPSA**	**3092.21**	−69.19	**−2.19**	−2.5
Mexico	**S&P/BMV IPC**	**52736.26**	−605.59	**−1.14**	8.8
EMEA	**STOXX Europe 600**	**451.76**	−4.87	**−1.07**	6.3
Eurozone	**Euro STOXX**	**445.18**	−6.55	**−1.45**	8.6
Belgium	**Bel-20**	**3536.79**	−46.11	**−1.29**	−4.4
Denmark	**OMX Copenhagen 20**	**2045.90**	−9.78	**−0.48**	11.5
France	**CAC 40**	**7098.70**	−111.05	**−1.54**	9.7
Germany	**DAX**	**15664.02**	−244.89	**−1.54**	12.5
Israel	**Tel Aviv**	**1744.92**	−13.56	**−0.77**	−2.9
Italy	**FTSE MIB**	**26051.33**	−524.43	**−1.97**	9.9
Netherlands	**AEX**	**748.86**	−7.81	**−1.03**	8.7
Norway	**Oslo Bors All-Share**	**1354.44**	−14.20	**−1.04**	−0.6
South Africa	**FTSE/JSE All-Share**	**75067.47**	−871.99	**−1.15**	2.8
Spain	**IBEX 35**	**9050.20**	−117.30	**−1.28**	10.0
Sweden	**OMX Stockholm**	**830.29**	−6.30	**−0.75**	6.2
Switzerland	**Swiss Market**	**11217.89**	−64.56	**−0.57**	4.6
Turkey	**BIST 100**	**4886.91**	−64.44	**−1.30**	−11.3
U.K.	**FTSE 100**	**7446.14**	−75.93	**−1.01**	−0.1
U.K.	**FTSE 250**	**18722.90**	−84.47	**−0.45**	−0.7
Asia-Pacific	**MSCI AC Asia Pacific**	**158.39**	−2.15	**−1.34**	1.7
Australia	**S&P/ASX 200**	**7091.30**	−117.98	**−1.64**	0.7
China	**Shanghai Composite**	**3204.56**	−19.65	**−0.61**	3.7
Hong Kong	**Hang Seng**	**18234.27**	−361.51	**−1.94**	−7.8
India	**S&P BSE Sensex**	**62622.24**	−346.90	**−0.55**	2.9
Japan	**NIKKEI 225**	**30887.88**	−440.28	**−1.41**	18.4
Singapore	**Straits Times**	**3158.80**	−28.77	**−0.90**	−2.8
South Korea	**KOSPI**	**2577.12**	−8.40	**−0.32**	15.2
Taiwan	**TAIEX**	**16578.96**	−43.78	**−0.26**	17.3
Thailand	**SET**	**1533.54**	−1.27	**−0.08**	−8.1

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
SunCar Tech Cl A	SDA	43.05	23.56	**120.88**	43.05	3.80	**324.8**
Inventiva ADR	IVA	3.95	0.92	**30.20**	11.75	2.22	**-56.2**
T Stamp	IDAI	2.54	0.49	**23.90**	10.70	1.24	**-73.9**
Rockwell Medical	RMTI	3.32	0.62	**22.96**	3.40	0.84	**104.9**
BYND Cannasoft Ents	BCAN	3.31	0.61	**22.59**	16.38	2.00	**-37.1**
Eltek	ELTK	9.92	1.58	**18.94**	9.96	3.56	**140.8**
Fusion Pharmaceuticals	FUSN	5.10	0.78	**18.06**	5.22	1.98	**44.5**
Nutriband	NTRB	2.84	0.40	**16.35**	6.98	2.41	**-21.3**
Palomar Holdings	PLMR	54.66	7.38	**15.61**	95.20	43.64	**-11.8**
Shengfeng Development	SFWL	10.01	1.35	**15.59**	12.45	2.94	**...**
Lyell Immunopharma	LYEL	3.19	0.43	**15.58**	8.74	1.77	**-23.3**
SoFi Technologies	SOFI	6.94	0.91	**15.09**	8.52	4.24	**-1.6**
Sonida Senior Living	SNDA	8.28	1.08	**15.00**	28.20	6.00	**-68.8**
Lexicon Pharmaceuticals	LXRX	3.30	0.40	**13.79**	3.79	1.31	**88.6**
Kinnate Biopharma	KNTE	4.30	0.52	**13.76**	15.86	2.32	**-43.2**

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Advance Auto Parts	AAP	72.89	-39.31	**-35.04**	212.25	72.60	**-61.2**
Belite Bio ADR	BLTE	16.49	-7.44	**-31.09**	44.70	14.22	**10.3**
EpicQuest Education	EEIQ	1.87	-0.63	**-25.20**	3.63	0.80	**-1.1**
WISeKey Intl Hldg ADR	WKEY	1.91	-0.48	**-20.08**	3.20	0.81	**-15.1**
SEALSQ	LAES	12.00	-2.84	**-19.11**	28.50	8.50	**...**
Sportsman's Warehouse	SPWH	4.53	-0.96	**-17.49**	11.11	4.33	**-48.3**
U-Haul Holding Series N	UHAL.B	46.29	-9.46	**-16.97**	68.29	46.29	**...**
Tingo Group	TIO	2.84	-0.58	**-16.96**	5.69	0.54	**315.2**
U-Haul Holding	UHAL	52.77	-10.23	**-16.24**	70.57	44.79	**8.0**
Petros Pharmaceuticals	PTPI	2.33	-0.44	**-15.88**	28.80	0.92	**-74.9**
Lantronix	LTRX	4.43	-0.82	**-15.62**	7.94	3.52	**-21.5**
Sunlands Technology ADR	STG	3.18	-0.58	**-15.43**	15.40	2.97	**-34.4**
Alkaline Water	WTER	1.78	-0.29	**-14.01**	9.60	1.02	**-72.1**
Nano Labs ADR	NA	2.12	-0.33	**-13.47**	13.95	0.92	**...**
Healthcare Triangle	HCTI	2.66	-0.41	**-13.36**	16.80	1.11	**-63.7**

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Aridis Pharmaceuticals	ARDS	**178,754**	20283.9	0.40	**114.81**	2.77	0.15
SoFi Technologies	SOFI	**151,037**	318.8	6.94	**15.09**	8.52	4.24
Tesla	TSLA	**149,366**	12.1	203.93	**1.38**	314.67	101.81
Intel	INTC	**135,952**	210.9	31.44	**4.83**	44.93	24.59
ProSh UltraPro Shrt QQQ	SQQQ	**128,001**	-1.7	23.06	**2.08**	69.55	21.82
Palantir Technologies	PLTR	**127,958**	160.1	14.71	**0.00**	15.01	5.92
SPDR S&P 500 ETF Trust	SPY	**107,312**	21.1	417.85	**-0.55**	431.73	348.11
ProShares UltraPro QQQ	TQQQ	**104,325**	-25.9	34.75	**-2.03**	39.38	16.10
NVIDIA	NVDA	**99,888**	114.2	378.34	**-5.68**	419.38	108.13
Apple	AAPL	**99,321**	71.6	177.25	**-0.03**	179.35	124.17

* Volumes of 100,000 shares or more are rounded to the nearest thousand

Volume Movers

Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
SPDR Bloomberg ST Int Tr	BWZ	1,404	**6388**	26.68	**-0.07**	27.93	24.48
FAST Acquisition II	FZT	810	**5920**	10.36	**0.00**	11.12	9.71
Belite Bio ADR	BLTE	575	**4792**	16.49	**-31.09**	44.70	14.22
Aurora Tech Acqn Cl A	ATAK	213	**3722**	10.54	**0.09**	11.57	9.88
FRP Holdings	FRPH	437	**3432**	52.81	**-2.17**	63.52	52.45
Goal Acquisitions	PUCK	611	**3380**	10.30	**0.00**	10.30	9.78
China Yuchai Intl	CYD	566	**3245**	7.99	**-1.48**	11.08	6.73
Globalink Investment	GLLI	200	**3136**	10.50	**-0.38**	10.90	9.91
Trajectory Alpha Cl A	TCOA	932	**2747**	10.34	**0.00**	10.78	9.78
Arrowroot Acqn Cl A	ARRW	264	**2697**	10.45	**0.67**	10.51	9.75

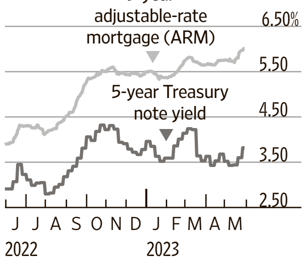
* Common stocks priced at $2 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

Five-year ARM, Rate

Bankrate.com avg†:	**6.01%**
Florence Savings Bank	**4.63%**
Florence, MA	800-644-8261
RTN Federal Credit Union	**5.00%**
Waltham, MA	781-736-9900
State Department Federal Credit Union	**5.63%**
Alexandria, VA	800-296-8882
Clinton Savings Bank	**5.75%**
Clinton, MA	888-744-4272
Apple Federal Credit Union	**6.13%**
Fairfax, VA	800-666-7996

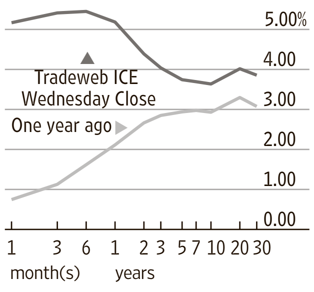
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	**5.00-5.25**	5.00-5.25	0.75	5.25	**5.00**
Prime rate*	**8.25**	8.25	4.00	8.25	**5.00**
Libor, 3-month	**5.52**	5.42	1.63	5.52	**5.17**
Money market, annual yield	**0.53**	0.54	0.08	0.54	**0.24**
Five-year CD, annual yield	**2.84**	2.83	0.94	2.84	**2.03**
30-year mortgage, fixed†	**7.24**	7.20	5.26	7.41	**3.73**
15-year mortgage, fixed†	**6.62**	6.50	4.62	6.65	**3.76**
Jumbo mortgages, $726,200-plus†	**7.25**	7.26	5.19	7.44	**3.69**
Five-year adj mortgage (ARM)†	**6.01**	5.92	3.89	6.01	**2.78**
New-car loan, 48-month	**7.02**	7.03	4.45	7.03	**2.78**

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

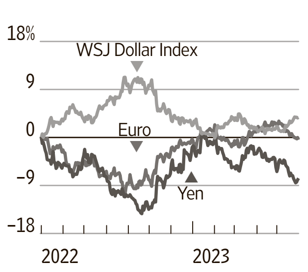
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
U.S. Treasury, Bloomberg	2139.920	**4.070**	4.100	4.560	2.840	**−2.256**	−4.527
U.S. Treasury Long, Bloomberg	3276.220	**3.950**	4.080	4.570	3.060	**−8.178**	−12.044
Aggregate, Bloomberg	1999.050	**4.620**	4.670	5.210	3.370	**−2.144**	−3.650
Fixed-Rate MBS, Bloomberg	1981.470	**4.700**	4.750	5.380	3.300	**−2.686**	−3.626
High Yield 100, ICE BofA	3235.112	**n.a.**	8.275	8.753	6.596	**0.822**	2.746
Muni Master, ICE BofA	564.561	**3.418**	3.505	3.936	2.419	**0.309**	−0.833
EMBI Global, J.P. Morgan	782.476	**7.852**	7.967	9.159	6.866	**−0.696**	−2.371

Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Wed in US$	Wed per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0042	239.4751	**35.5**
Brazil real	.1978	5.0548	**−4.4**
Canada dollar	.7366	1.3577	**0.2**
Chile peso	.001234	810.13	**−4.5**
Colombia peso	.000225	4445.50	**−8.3**
Ecuador US dollar	1	1	**unch**
Mexico peso	.0565	17.6846	**−9.3**
Uruguay peso	.02580	38.7550	**−3.1**
Asia-Pacific			
Australia dollar	.6505	1.5373	**4.8**
China yuan	.1406	7.1118	**3.1**
Hong Kong dollar	.1277	7.8300	**0.3**
India rupee	.01209	82.686	**−0.1**
Indonesia rupiah	.0000667	14991	**−3.7**
Japan yen	.007177	139.34	**6.3**
Kazakhstan tenge	.002234	447.61	**−3.3**
Macau pataca	.1239	8.0740	**0.3**
Malaysia ringgit	.2167	4.6155	**4.8**
New Zealand dollar	.6023	1.6603	**5.4**
Pakistan rupee	.00350	285.500	**25.9**
Philippines peso	.0177	56.363	**1.2**
Singapore dollar	.7398	1.3518	**0.8**
South Korea won	.0007569	1321.16	**4.7**
Sri Lanka rupee	.0034633	288.74	**−21.4**
Taiwan dollar	.03257	30.708	**0.2**
Thailand baht	.02884	34.680	**0.2**

Country/currency	Wed in US$	Wed per US$	US$ vs, YTD chg (%)
Vietnam dong	.00004257	23493	**−0.6**
Europe			
Czech Rep. koruna	.04509	22.180	**−1.7**
Denmark krone	.1435	6.9669	**0.3**
Euro area euro	1.0689	.9356	**0.1**
Hungary forint	.002884	346.71	**−7.1**
Iceland krona	.007137	140.12	**−1.0**
Norway krone	.0902	11.0907	**13.1**
Poland zloty	.2361	4.2350	**−3.3**
Russia ruble	.01226	81.550	**10.6**
Sweden krona	.0922	10.8513	**4.0**
Switzerland franc	1.0979	.9108	**−1.5**
Turkey lira	.0481	20.7995	**11.3**
Ukraine hryvnia	.0271	36.9500	**0.3**
UK pound	1.2443	.8037	**−2.8**
Middle East/Africa			
Bahrain dinar	2.6532	.3769	**−0.04**
Egypt pound	.0324	30.8996	**24.8**
Israel shekel	.2677	3.7355	**6.0**
Kuwait dinar	3.2517	.3075	**0.5**
Oman sul rial	2.5974	.3850	**unch**
Qatar rial	.2746	3.641	**−0.7**
Saudi Arabia riyal	.2666	3.7510	**−0.2**
South Africa rand	.0507	19.7278	**15.9**

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	98.02	0.10	0.10	**1.51**

Sources: Tullett Prebon, Dow Jones Market Data

Commodities

	Close	Wednesday Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	**930.59**	-5.44	**-0.58**	1251.61	930.59	**-24.12**	-11.26
Refinitiv/CC CRB Index	**253.85**	-1.65	**-0.64**	329.59	253.85	**-20.68**	-8.60
Crude oil, $ per barrel	**68.09**	-1.37	**-1.97**	122.11	66.74	**-40.92**	-15.16
Natural gas, $/MMBtu	**2.266**	-0.061	**-2.62**	9.680	1.991	**-73.94**	-49.36
Gold, $ per troy oz.	**1963.90**	5.90	**0.30**	2048.00	1623.30	**6.54**	7.92

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PUBLIC NOTICES

FDIC PUBLICATION NOTICE TO CREDITORS AND DEPOSITORS OF SILICON VALLEY BRIDGE BANK, N.A. SANTA CLARA, CA

On **March 27, 2023** (the "Closing Date"), the **Office of the Comptroller of the Currency** closed **SILICON VALLEY BRIDGE BANK, N.A., Santa Clara, CA** (the "Failed Institution") and appointed the Federal Deposit Insurance Corporation (the "FDIC") as Receiver (the "Receiver") to handle all matters relating to the Failed Institution.

TO THE CREDITORS OF THE FAILED INSTITUTION

All creditors having claims against the Failed Institution must submit their claims in writing, together with proof of the claims, to the Receiver **on or before July 10, 2023** (the "Claims Bar Date"). You may submit your proof of claim form via our interactive FDIC Claims Portal at https://resolutions.fdic.gov/claimsportal/s/, the FDIC website at https://www.fdic.gov/resources/forms/deposit-claims-and-asset-sales/index.html, or by calling 972-761-8677.

Claims may be submitted through the FDIC Claims Portal, or mailed to the following address:

FDIC as Receiver of
Silicon Valley Bridge Bank, N.A.
600 North Pearl Street, Suite 700, Dallas, TX 75201
Attention: Claim Agent **10542**

Under federal law 12 U.S.C. Section 1821(d)(5)(C), failure to file a claim on or before the Claims Bar Date will result in the Receiver disallowing the claim. The disallowance is final.

NOTE TO CLASS CLAIMANTS: By law, the Receiver will not accept a claim filed on behalf of a proposed class of individuals or entities or a class of individuals or entities certified by a court. EACH individual or entity must file a separate claim with the Receiver.

TO THE DEPOSITORS OF THE FAILED INSTITUTION

The FDIC, which insures your deposits in its corporate capacity, arranged for the transfer of all deposits ("Deposits") - including the uninsured amounts - at the Failed Institution to another insured depository institution, **First–Citizens Bank & Trust Company, Raleigh, NC** (the "New Institution"). This arrangement should minimize any inconvenience from the closing of the Failed Institution.

All deposits were fully insured and transferred to **First–Citizens Bank & Trust Company, Raleigh, NC.** If you disagree with the FDIC's determination of your insurance coverage as represented by the account(s) made available at the New Institution, you may request a review of the FDIC's determination in the United States District Court where the Failed Institution was located. You must request this review no later than 60 days after the date on which your deposits became available to you at **First–Citizens Bank & Trust Company, Raleigh, NC.** Requesting a review will not prevent you from using the funds in your new account.

You may leave your Deposits in the New Institution, but you must take action to claim ownership of your Deposits. Under federal law (Unclaimed Deposits Amendments Act of 1993 (12 U.S.C. Section 1822(e)), you must claim ownership of your deposits at **First–Citizens Bank & Trust Company, Raleigh, NC** within eighteen (18) months from the Closing Date, which is **September 27, 2024. Official items issued by the Failed Institution; such as, cashier's checks, dividend checks, interest checks, expense checks, and money orders are considered Deposits and must also be claimed within 18 months from the Closing Date.** You may claim your deposits at **First–Citizens Bank & Trust Company, Raleigh, NC** by taking any one of the following actions. If you have more than one deposit account, your action will automatically claim your deposits for all accounts.

1. Make a deposit to or withdrawal from your account(s), including writing a check on any account, automatic direct deposits, or automatic withdrawals.
2. Execute a new signature card on your account(s), enter into a new deposit agreement with the New Institution, change the ownership on your account(s), or renegotiate the terms of your certificate of deposit account(s).
3. Provide the New Institution with a completed change of address form.
4. Write to the New Institution at the address below and ask that your account(s) remain active. In your letter, include the type of the account(s): checking, savings, money market, etc., the name(s) on the account(s), the account number(s), and the signature of an authorized signer on the account(s), with your name and address.

3003 Tasman Dr., Santa Clara, CA 95054

If you do not claim ownership of your Deposits at the New Institution by **September 27, 2024**, federal law requires these unclaimed deposits be transferred to the State's Unclaimed Property Division, according to your address listed with the Failed Institution. If your address is outside of the United States, the FDIC will deliver your deposits to the State in which the Failed Institution had its main office. According to the Unclaimed Deposits Amendments Act of 1993 (12 U.S.C. Section 1822(e)), **you will have ten years to claim your deposits from the State's Unclaimed Property Division according to the state's unclaimed property laws. If you do not claim your deposits from the State within the ten-year period, federal law prohibits you from claiming your deposits.**

If the State does not take custody of your Deposits, after the 18-month period, you may claim your Deposits from the FDIC until the receivership is terminated. A receivership can be terminated at any time. Once the receivership terminates, you will not be able to claim your deposits.

If you have a loan with the Failed Institution, and you would like to discuss offsetting your insured and/or uninsured Deposit(s) against the loan, visit the FDIC Claims Portal (https://resolutions.fdic.gov/claimsportal/s/), or call 972-761-2112.

FDIC PUBLICATION NOTICE TO CREDITORS AND DEPOSITORS OF SIGNATURE BRIDGE BANK, N.A. NEW YORK, NY

On **March 20, 2023** (the "Closing Date"), the **Office of the Comptroller of the Currency** closed **SIGNATURE BRIDGE BANK, N.A., New York, NY** (the "Failed Institution") and appointed the Federal Deposit Insurance Corporation (the "FDIC") as Receiver (the "Receiver") to handle all matters relating to the Failed Institution.

TO THE CREDITORS OF THE FAILED INSTITUTION

All creditors having claims against the Failed Institution must submit their claims in writing, together with proof of the claims, to the Receiver **on or before July 17, 2023** (the "Claims Bar Date"). You may submit your proof of claim form via our interactive FDIC Claims Portal at https://resolutions.fdic.gov/claimsportal/s/, the FDIC website at https://www.fdic.gov/resources/forms/deposit-claims-and-asset-sales/index.html, or by calling 972-761-8677.

Claims may be submitted through the FDIC Claims Portal, or mailed to the following address:

FDIC as Receiver of
Signature Bridge Bank, N.A.
600 Pearl Street, Suite 700, Dallas, TX 75201
Attention: Claim Agent **10541**

Under federal law 12 U.S.C. Section 1821(d)(5)(C), failure to file a claim on or before the Claims Bar Date will result in the Receiver disallowing the claim. The disallowance is final.

NOTE TO CLASS CLAIMANTS: By law, the Receiver will not accept a claim filed on behalf of a proposed class of individuals or entities or a class of individuals or entities certified by a court. EACH individual or entity must file a separate claim with the Receiver.

TO THE DEPOSITORS OF THE FAILED INSTITUTION

The FDIC, which insures your deposits in its corporate capacity, arranged for the transfer of all deposits ("Deposits") - including the uninsured amounts - at the Failed Institution to another insured depository institution, **Flagstar Bank, N.A., Hicksville, NY** (the "New Institution"). This arrangement should minimize any inconvenience from the closing of the Failed Institution.

The vast majority of deposits, with the exception of those related to the digital banking business, were transferred to **Flagstar Bank, N.A.** with full ownership rights and capacities, and those accounts will continue to be insured by the FDIC up to the insurance limit. Digital banking business depositors, though, had until April 5, 2023, to close their accounts by contacting **Flagstar Bank, N.A.** If you are a depositor with accounts related to the digital banking business and you have not received any funds due, please contact the FDIC at (972) 761-2112.

If you disagree with the FDIC's determination of your insurance coverage as represented by the account(s) made available at the New Institution, you may request a review of the FDIC's determination in the United States District Court where the Failed Institution was located. You must request this review no later than 60 days after the date on which your deposits became available to you at **Flagstar Bank, N.A.**. Requesting a review will not prevent you from using the funds in your new account.

Unless you have deposits related to the digital banking business, you may leave your Deposits in the New Institution, but you must take action to claim ownership of your Deposits. Under federal law (Unclaimed Deposits Amendments Act of 1993 (12 U.S.C. Section 1822(e)), you must claim ownership of your deposits at **Flagstar Bank, N.A.** within eighteen (18) months from the Closing Date, which is **September 20, 2024. Official items issued by the Failed Institution, such as, cashier's checks, dividend checks, interest checks, expense checks, and money orders are considered Deposits and must also be claimed within 18 months from the Closing Date.** You may claim your deposits at **Flagstar Bank, N.A.** by taking any one of the following actions. If you have more than one deposit account, your action will automatically claim your deposits for all accounts.

1. Make a deposit to or withdrawal from your account(s), including writing a check on any account, automatic direct deposits, or automatic withdrawals.
2. Execute a new signature card on your account(s), enter into a new deposit agreement with the New Institution, change the ownership on your account(s), or renegotiate the terms of your certificate of deposit account(s).
3. Provide the New Institution with a completed change of address form.
4. Write to the New Institution at the address below and ask that your account(s) remain active. In your letter, include the type of the account(s): checking, savings, money market, etc., the name(s) on the account(s), the account number(s), and the signature of an authorized signer on the account(s), with your name and address.

102 Duffy Avenue, Hicksville, NY 11801

If you do not claim ownership of your Deposits at the New Institution by **September 20, 2024**, federal law requires these unclaimed deposits be transferred to the State's Unclaimed Property Division, according to your address listed with the Failed Institution. If your address is outside of the United States, the FDIC will deliver your deposits to the State in which the Failed Institution had its main office. According to the Unclaimed Deposits Amendments Act of 1993 (12 U.S.C. Section 1822(e)), **you will have ten years to claim your deposits from the State's Unclaimed Property Division according to the state's unclaimed property laws. If you do not claim your deposits from the State within the ten-year period, federal law prohibits you from claiming your deposits.**

If the State does not take custody of your Deposits, after the 18-month period, you may claim your Deposits from the FDIC until the receivership is terminated. A receivership can be terminated at any time. Once the receivership terminates, you will not be able to claim your deposits.

If you have a loan with the Failed Institution, and you would like to discuss offsetting your insured and/or uninsured Deposit(s) against the loan, visit the FDIC Claims Portal (https://resolutions.fdic.gov/claimsportal/s/), or call 972-761-2112.

BUSINESS OPPORTUNITIES

BUSINESS OPPORTUNITIES

PUBLIC NOTICES

NOTIFICATION OF DISPOSITION OF COLLATERAL

RMBBD Holdings, Inc ("Secured Creditor") will sell all right, title, and interest of FinMason, Inc. ("Debtor") in the personal property assets generally described as Accounts, Equipment, General Intangible, Goods and Inventory ("Collateral"), to the highest qualified bidder in public as follows:

Day and Date: Monday, June 30, 2023
Time: 10:00 a.m.
Place: Buchalter
18400 Von Karman Avenue, 8th Floor
Irvine, CA 92612

The Collateral will be sold "AS IS, WHERE IS" and without warranties or representations.In order for any interested bidder to bid at the Public Sale, Secured Party must be provided with adequate documentary proof of financial ability to make an initial bid of at least $500,000.00 USD and the execution of a non-disclosure agreement, at least 10-days prior to the date of the Public Sale.You may request further information regarding the Public Sale or Collateral by calling the Secured Creditor's attorney, Scott O. Smith of Buchalter, at (213)-891-5063 or email ssmith@buchalter.com.

PUBLIC NOTICES

PLEASE TAKE NOTICE THAT Michele Vives, the Court-appointed Receiver ("Receiver") for 1inMM Capital, LLC ("1inMM") as well as assets that are attributable to investor or client funds or that were fraudulently transferred by 1inMM or Zachary J. Horwitz ("Horwitz"), and certain plaintiffs who invested in 1inMM, have reached an agreement to settle all claims asserted or that could have been asserted against Tyler Crookston arising out of or relating to 1inMM, the 1inMM Ponzi Scheme or JJMT Capital, LLC ("Settlement"). As part of the Settlement, the Receiver has asked the Court to permanently enjoin any person or entity from commencing any legal proceeding against Mr. Crookston asserting any legal claim arising out of, in connection with or relating in any way to, 1inMM, the 1inMM Ponzi Scheme, JJMT or Horwitz, as more particularly described in the proposed Bar Order (a "1inMM Claim"). All 1inMM Claims will be channeled into a receivership claims process the Court will establish by separate order.

Complete copies of the Settlement Agreement, the proposed Bar Order and other documents pertaining to the Settlement are available on the Receiver's website, www.1inMMreceivership.com.

Interested parties may submit written questions or objections to the Settlement to the Receiver by sending an email to 1inMM@douglaswilson.com by no later than 4:00 pm PDT on July 3, 2023. (All capitalized terms not defined in this notice are defined in the Settlement Agreement or the Motion.)

Paladin Reinsurance Corporation

This company advises all creditors that it is entering into a Commutation Plan under Section 1321(b) of the New York Insurance Law and Department Regulation 141 (11 NYCRR Section 128).

Any person who has and can provide details of a claim against this Estate should email by 14 July 2023 details of their claims to commutation@paladinreinsurance.com.

CLASS ACTION

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

BRIAN MART, Individually and on Behalf of All Others Similarly Situated, Plaintiff,	Civ No. 0:20-cv-02074-NEB-DTS
vs.	CLASS ACTION
TACTILE SYSTEMS TECHNOLOGY, INC., et al., Defendants.	SUMMARY NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED TACTILE SYSTEMS TECHNOLOGY, INC. ("TACTILE" OR THE "COMPANY") PUBLICLY TRADED SECURITIES DURING THE PERIOD FROM MAY 7, 2018 THROUGH JUNE 8, 2020, INCLUSIVE, AND WERE DAMAGED THEREBY ("CLASS" OR "CLASS MEMBERS")

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

YOU ARE HEREBY NOTIFIED that a hearing will be held on August 23, 2023, at 10:00 a.m. (Central time), before the Honorable Nancy E. Brasel via Zoom at the link available at https://www.zoomgov.com/j/1606903173?pwd=M2RaOHSXFVZHVoR2ErQWl6cXd2UT09, to determine whether: (1) the proposed settlement (the "Settlement") of the above-captioned action as set forth in the Stipulation of Settlement ("Stipulation")[1] for $5,000,000 in cash should be approved by the Court as fair, reasonable, and adequate; (2) the Judgment as provided under the Stipulation should be entered dismissing the Litigation with prejudice; (3) to award Lead Counsel attorneys' fees and expenses out of the Settlement Fund (as defined in the Notice of Pendency and Proposed Settlement of Class Action ("Notice"), which is discussed below), and, if so, in what amounts; and (4) the Plan of Allocation should be approved by the Court as fair, reasonable, and adequate.

To keep the number of video links to a manageable number, observers that wish to only watch the hearing shall participate by telephone using the following information:

Dial: 1-669-254-5252
Meeting ID: 160 069 0317
Passcode: 144682

IF YOU PURCHASED OR ACQUIRED TACTILE PUBLICLY TRADED SECURITIES FROM MAY 7, 2018 THROUGH JUNE 8, 2020, INCLUSIVE, YOUR RIGHTS MAY BE AFFECTED BY THE SETTLEMENT OF THIS LITIGATION.

To share in the distribution of the Settlement Fund, you must establish your rights by submitting a Proof of Claim and Release form ("Proof of Claim") by mail (**postmarked no later than August 23, 2023**) or electronically (**no later than August 23, 2023**). Your failure to submit your Proof of Claim by August 23, 2023, will subject your claim to rejection and preclude your receiving any of the recovery in connection with the Settlement of this Litigation. If you purchased or acquired Tactile publicly traded securities from May 7, 2018 through June 8, 2020, inclusive, and do not request exclusion from the Class, you will be bound by the Settlement and any judgment and release entered in the Litigation, including, but not limited to, the Judgment, whether or not you submit a Proof of Claim.

If you have not received a copy of the Notice, which more completely describes the Settlement and your rights thereunder (including your right to object to the Settlement), and a Proof of Claim, you may obtain these documents, as well as a copy of the Stipulation (which, among other things, contains definitions for the defined terms used in this Summary Notice) and other Settlement documents, online at www.TactileSecuritiesSettlement.com, or by contacting the Claims Administrator:

Tactile Securities Settlement
Claims Administrator
c/o Gilard & Co. LLC
P.O. Box 301134
Los Angeles, CA 90030-1134
1-888-846-6829

Inquiries should NOT be directed to Defendants, the Court, or the Clerk of the Court.

Inquiries, other than requests for the Notice or for a Proof of Claim, may be made to Lead Counsel:

ROBBINS GELLER RUDMAN & DOWD LLP
Ellen Gusikoff Stewart
655 West Broadway, Suite 1900
San Diego, CA 92101
Telephone: 1-800-449-4900
settlementinfo@rgrdlaw.com

IF YOU DESIRE TO BE EXCLUDED FROM THE CLASS, YOU MUST SUBMIT A REQUEST FOR EXCLUSION SUCH THAT IT IS **POSTMARKED BY AUGUST 2, 2023**, IN THE MANNER AND FORM EXPLAINED IN THE NOTICE. ALL CLASS MEMBERS WILL BE BOUND BY THE SETTLEMENT EVEN IF THEY DO NOT SUBMIT A TIMELY PROOF OF CLAIM.

IF YOU ARE A CLASS MEMBER, YOU HAVE THE RIGHT TO OBJECT TO THE SETTLEMENT, THE PLAN OF ALLOCATION, THE REQUEST BY LEAD COUNSEL FOR AN AWARD OF ATTORNEYS' FEES NOT TO EXCEED 30% OF THE $5,000,000 SETTLEMENT AMOUNT AND EXPENSES NOT TO EXCEED $139,000. ANY OBJECTIONS MUST BE FILED WITH THE COURT AND SENT TO LEAD COUNSEL AND DEFENDANTS' COUNSEL **BY AUGUST 2, 2023**, IN THE MANNER AND FORM EXPLAINED IN THE NOTICE.

DATED: May 4, 2023

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

[1] The Stipulation can be viewed and/or obtained at www.TactileSecuritiesSettlement.com.

PUBLIC NOTICES

FDIC PUBLICATION NOTICE TO CREDITORS AND DEPOSITORS OF SIGNATURE BANK NEW YORK, NY

On **March 12, 2023** (the "Closing Date"), the **New York State Department of Financial Services closed SIGNATURE BANK, New York, NY** (the "Failed Institution") and appointed the Federal Deposit Insurance Corporation (the "FDIC") as Receiver (the "Receiver") to handle all matters relating to the Failed Institution.

TO THE CREDITORS OF THE FAILED INSTITUTION

All creditors having claims against the Failed Institution must submit their claims in writing, together with proof of the claims, to the Receiver **on or before July 17, 2023** (the "Claims Bar Date"). You may submit your proof of claim form via our interactive FDIC Claims Portal at https://resolutions.fdic.gov/claimsportal/s/, the FDIC website at https://www.fdic.gov/resources/forms/deposit-claims-and-asset-sales/index.html, or by calling 972-761-8677.

Claims may be submitted through the FDIC Claims Portal, or mailed to the following address:

FDIC as Receiver of
Signature Bank
600 Pearl Street, Suite 700, Dallas, TX 75201
Attention: Claim Agent **10540**

Under federal law 12 U.S.C. Section 1821(d)(5)(C), failure to file a claim on or before the Claims Bar Date will result in the Receiver disallowing the claim. The disallowance is final.

NOTE TO CLASS CLAIMANTS: By law, the Receiver will not accept a claim filed on behalf of a proposed class of individuals or entities or a class of individuals or entities certified by a court. EACH individual or entity must file a separate claim with the Receiver.

TO THE DEPOSITORS OF SIGNATURE BANK

On **March 12, 2023,** the FDIC, which insures your deposits in its corporate capacity, arranged for the transfer of all deposits ("Deposits") - including the uninsured amounts – to **SIGNATURE BRIDGE BANK, N.A.** On **March 20, 2023,** the **Office of the Comptroller of the Currency** closed **SIGNATURE BRIDGE BANK, N.A., New York, NY** and appointed the Federal Deposit Insurance Corporation as Receiver to handle all matters relating to the Failed Institution. Please see the Signature Bridge Bank, N.A. publication notice for information about your deposits or visit www.FDIC.gov.

FDIC PUBLICATION NOTICE TO CREDITORS AND DEPOSITORS OF SILICON VALLEY BANK SANTA CLARA, CA

On **March 10, 2023** (the "Closing Date"), the **California Department of Financial Protection and Innovation** closed **Silicon Valley Bank, Santa Clara, CA** (the "Failed Institution") and appointed the Federal Deposit Insurance Corporation (the "FDIC") as Receiver (the "Receiver") to handle all matters relating to the Failed Institution.

TO THE CREDITORS OF THE FAILED INSTITUTION

All creditors having claims against the Failed Institution must submit their claims in writing, together with proof of the claims, to the Receiver **on or before July 10, 2023** (the "Claims Bar Date"). You may submit your proof of claim form via our interactive FDIC Claims Portal at https://resolutions.fdic.gov/claimsportal/s/, the FDIC website at https://www.fdic.gov/resources/forms/deposit-claims-and-asset-sales/index.html, or by calling 972-761-8677.

Claims may be submitted through the FDIC Claims Portal, or mailed to the following address:

FDIC as Receiver of
Silicon Valley Bank
600 North Pearl Street, Suite 700
Dallas, TX 75201
Attention: Claim Agent **10539**

Under federal law 12 U.S.C. Section 1821(d)(5)(C), failure to file a claim on or before the Claims Bar Date will result in the Receiver disallowing the claim. The disallowance is final.

NOTE TO CLASS CLAIMANTS: By law, the Receiver will not accept a claim filed on behalf of a proposed class of individuals or entities or a class of individuals or entities certified by a court. EACH individual or entity must file a separate claim with the Receiver.

TO THE DEPOSITORS OF SILICON VALLEY BANK

On **March 10, 2023,** the FDIC, which insures your deposits in its corporate capacity, arranged for the transfer of all deposits ("Deposits") - including the uninsured amounts – to **SILICON VALLEY BRIDGE BANK, N.A.** On **March 27, 2023**, the **Office of the Comptroller of the Currency** closed **SILICON VALLEY BRIDGE BANK, N.A., SANTA CLARA, CA** and appointed the Federal Deposit Insurance Corporation as Receiver to handle all matters relating to the Failed Institution. Please see the Silicon Valley Bridge Bank, N.A. publication notice for information about your deposits or visit www.FDIC.gov.

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
June	3.6265	3.6600		3.6185	**3.6310**	−0.0270	1,701
July	3.6620	3.6715		3.6220	**3.6370**	−0.0260	124,081
Gold (CMX)-100 troy oz.; $ per troy oz.							
June	1958.20	1973.00		1953.00	**1963.90**	5.90	22,758
July	1968.40	1984.00		1963.20	**1973.10**	5.00	2,891
Aug	1977.50	1993.10		1971.80	**1982.10**	5.00	366,330
Oct	1996.40	2011.90		1991.40	**2001.70**	5.00	11,528
Dec	2015.50	2031.20		2010.60	**2020.40**	4.90	36,039
Feb'24	2031.20	2049.30		2029.60	**2038.90**	5.00	6,020
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
June	1394.00	1394.00		1340.00	**1340.90**	−37.70	124
Sept	1399.50	1423.00	▼	1351.00	**1359.00**	−38.50	10,439
Platinum (NYM)-50 troy oz.; $ per troy oz.							
June	...				**1007.10**	−22.90	75
July	1025.30	1029.40		997.80	**999.00**	−22.90	59,296
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
June	23.330	23.580		23.330	**23.474**	0.349	787
July	23.310	23.735		23.160	**23.587**	0.348	102,106
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
July	69.62	69.69		67.03	**68.09**	−1.37	380,541
Aug	69.67	69.81		67.21	**68.24**	−1.36	226,582
Sept	69.59	69.65		67.14	**68.14**	−1.34	211,537
Oct	69.30	69.37		66.95	**67.92**	−1.31	192,214
Dec	68.66	68.73		66.48	**67.34**	−1.29	223,950
Dec'24	65.56	65.74		64.05	**64.53**	−1.06	112,344
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
June	2.2652	2.2879		2.2367	**2.2596**	−.0212	3,428
July	2.2832	2.2839		2.2268	**2.2509**	−.0181	90,469
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
June	2.6038	2.6057		2.5314	**2.5599**	−.0360	4,368
July	2.4855	2.5353		2.4168	**2.4438**	−.0354	107,218
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
July	2.320	2.410		2.247	**2.266**	−.061	370,844
Aug	2.395	2.492		2.340	**2.358**	−.058	105,974
Sept	2.404	2.483		2.341	**2.358**	−.057	197,974
Oct	2.509	2.594		2.461	**2.478**	−.054	114,171
Nov	2.954	3.036	▼	2.902	**2.926**	−.061	61,731
Jan'24	3.700	3.765		3.638	**3.662**	−.066	78,052

Agriculture Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
July	594.25	594.75		577.50	**594.00**	...	478,674
Dec	526.50	526.50		511.25	**521.75**	−3.50	384,504
Oats (CBT)-5,000 bu.; cents per bu.							
July	340.25	346.00		334.25	**339.00**	−7.00	2,540
Dec	354.00	356.00		346.75	**350.75**	−4.75	1,243
Soybeans (CBT)-5,000 bu.; cents per bu.							
July	1298.00	1302.75	▼	1270.75	**1299.75**	3.25	264,691
Nov	1153.50	1155.00	▼	1130.50	**1146.50**	−6.75	217,559
Soybean Meal (CBT)-100 tons; $ per ton.							
July	393.50	394.50	▼	386.30	**393.40**	.80	153,379
Dec	367.40	367.50	▼	361.80	**365.00**	−1.70	130,468
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
July	46.20	46.59	▼	44.53	**46.20**	...	171,363
Dec	46.13	46.29	▼	44.47	**46.15**	−.01	143,127
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
July	17.05	17.32		16.84	**17.29**	.26	3,169
Sept	14.32	14.75	▼	14.31	**14.72**	.19	4,658
Wheat (CBT)-5,000 bu.; cents per bu.							
July	591.50	595.00	▼	573.25	**594.25**	3.25	212,205
Sept	605.50	609.00	▼	587.75	**608.00**	2.50	79,691
Wheat (KC)-5,000 bu.; cents per bu.							
July	783.00	795.75		763.75	**790.50**	6.75	81,810
Sept	780.25	788.75		761.75	**785.25**	4.75	47,268
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
Aug	237.975	239.850	▲	237.300	**239.175**	1.400	35,843
Sept	240.800	242.950	▲	240.325	**242.225**	1.550	10,024
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
June	168.650	169.275	▲	168.025	**169.125**	.250	34,613
Aug	167.000	167.750	▲	166.325	**167.675**	.500	152,765
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
June	81.325	82.925		81.325	**82.575**	1.750	28,043
July	80.350	83.775		80.350	**83.325**	3.800	74,608
Lumber (CME)-27,500 bd. ft., $ per 1,000 bd. ft.							
July	481.50	484.50	▼	478.50	**478.50**	−4.00	5,158
Sept	505.00	508.00		504.50	**505.00**	−1.50	1,294
Milk (CME)-200,000 lbs., cents per lb.							
May	16.16	16.17	▼	16.15	**16.17**	.01	4,178
June	15.51	15.62	▼	15.35	**15.41**	−.15	5,839
Cocoa (ICE-US)-10 metric tons; $ per ton.							
July	3,000	3,031		2,993	**3,007**	2	116,122
Sept	3,009	3,036		3,002	**3,019**	4	88,660
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
July	177.15	179.80		175.55	**178.65**	1.55	68,872
Sept	174.85	176.90		173.20	**175.85**	1.00	62,376
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
July	25.30	25.44		25.02	**25.06**	−.27	349,856
Oct	24.98	25.08		24.70	**24.74**	−.26	256,750
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
July	42.50	42.50		42.50	**42.50**	1.00	449
Nov	41.51	41.51		41.51	**41.51**	.34	1,477
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
July	84.49	84.49		82.56	**83.48**	−.51	73,615
Dec	80.15	80.51		78.96	**79.47**	−.74	90,392
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
July	280.70	288.00		280.25	**282.20**	−.10	7,681
Sept	266.95	270.00		266.95	**268.55**	2.25	1,304

Interest Rate Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Ultra Treasury Bonds (CBT) - $100,000; pts 32nds of 100%							
June	135-070	136-290		135-070	**136-120**	1-05.0	16,833
Sept	135-280	137-140		135-230	**136-280**	1-04.0	1,451,376
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
June	127-040	128-130		127-040	**128-020**	28.0	56,622
Sept	127-170	128-220		127-140	**128-110**	26.0	1,223,833
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
June	113-065	113-250		113-045	**113-200**	14.5	70,951
Sept	114-010	114-200		114-000	**114-150**	14.0	4,657,320
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
June	108-040	108-185		108-027	**108-147**	12.2	81,496
Sept	108-242	109-062		108-232	**109-025**	11.0	4,790,228
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
June	102-040	102-108		102-035	**102-087**	5.5	53,866
Sept	102-252	102-311		102-245	**102-292**	5.1	3,109,004
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
May	94.9450	94.9450		94.9425	**94.9450**	.0025	458,785
July	94.7500	94.8300		94.7350	**94.8200**	.0800	357,159
10 Yr. Del. Int. Rate Swaps (CBT)-$100,000; pts 32nds of 100%							
June	96-220	96-275		96-220	**96-220**	16.0	7,456
Three-Month SOFR (CME)-$1,000,000; 100 - daily avg.							
March	95.0475	95.0500		95.0450	**95.0500**	.0025	1,004,211
June	94.6700	94.7425		94.6575	**94.7200**	.0575	1,355,560
Eurodollar (CME)-$1,000,000; pts of 100%							
June	94.4125	94.4800		94.4025	**94.4625**	.0625	560,386

Currency Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
June	.7175	.7203		.7142	**.7200**	.0030	233,024
Sept	.7280	.7307		.7247	**.7304**	.0029	7,336
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
June	.7357	.7373		.7328	**.7370**	.0014	171,439
Sept	.7368	.7388		.7345	**.7385**	.0012	6,258
British Pound (CME)-£62,500; $ per £							
June	1.2418	1.2451		1.2354	**1.2428**	.0030	225,103
Dec	1.2393	1.2459		1.2375	**1.2448**	.0031	8,820
Swiss Franc (CME)-CHF 125,000; $ per CHF							
June	1.1064	1.1066		1.0955	**1.0998**	−.0060	40,497
Sept	1.1174	1.1178		1.1068	**1.1109**	−.0063	681
Australian Dollar (CME)-AUD 100,000; $ per AUD							
June	.6523	.6545	▼	.6463	**.6498**	−.0018	202,340
Sept	.6545	.6567	▼	.6485	**.6519**	−.0021	1,954
Mexican Peso (CME)-MXN 500,000; $ per MXN							
June	.05640	.05649		.05604	**.05634**	−.00001	222,501
Sept	.05539	.05548		.05507	**.05535**	−.00002	1,866
Euro (CME)-€125,000; $ per €							
June	1.0749	1.0749		1.0647	**1.0686**	−.0046	748,655
Sept	1.0802	1.0803		1.0703	**1.0740**	−.0048	19,024

Index Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
June	33064	33076		32793	**32979**	−110	92,905
Sept	33347	33361		33074	**33258**	−109	1,987
Mini S&P 500 (CME)-$50 x index							
June	4213.00	4217.75		4174.00	**4190.50**	−24.50	2,436,296
Sept	4255.50	4260.25		4216.00	**4232.25**	−25.25	49,462
Mini S&P Midcap 400 (CME)-$100 x index							
June	2444.50	2445.70		2394.90	**2409.00**	−35.10	37,566
Sept					**2427.90**	−34.40	10
Mini Nasdaq 100 (CME)-$20 x index							
June	14397.25	14429.00		14251.25	**14300.50**	−96.25	289,761
Sept	14568.00	14603.00		14424.25	**14470.25**	−98.75	8,224
Mini Russell 2000 (CME)-$50 x index							
June	1770.70	1775.80		1738.50	**1751.80**	−19.40	518,667
Sept	1786.00	1791.40		1755.00	**1768.20**	−19.50	5,269
Dec	1790.90	1804.20		1775.00	**1783.80**	−18.40	106
Mini Russell 1000 (CME)-$50 x index							
June	2285.60	2302.10		2282.40	**2290.40**	−14.20	7,553
U.S. Dollar Index (ICE-US)-$1,000 x index							
June	103.99	104.62		103.94	**104.25**	.17	30,487
Sept	103.58	104.21		103.58	**103.85**	.18	1,858

Source: FactSet

Cash Prices | wsj.com/market-data/commodities

Wednesday, May 31, 2023

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Wednesday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	74.600
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	14.600
Metals	
Gold, per troy oz	
Engelhard industrial	1964.00
Handy & Harman base	1964.40
Handy & Harman fabricated	2180.48
LBMA Gold Price AM	*1949.50
LBMA Gold Price PM	*1952.45
Krugerrand,wholesale-e	2053.01
Maple Leaf-e	2102.12
American Eagle-e	2102.12
Mexican peso-e	2534.53
Austria crown-e	1928.70
Austria phil-e	2062.83
Silver, troy oz.	
Engelhard industrial	23.4500
Handy & Harman base	23.5630
Handy & Harman fabricated	29.4540
LBMA spot price	*£18.7100
(U.S.$ equivalent)	*23.2550
Coins,wholesale $1,000 face-a	21955
Other metals	
LBMA Platinum Price PM	*1027.0
Platinum,Engelhard industrial	1010.0
Palladium,Engelhard industrial	1400.0
Aluminum, LME, $ per metric ton	*2230.0
Copper,Comex spot	3.6310
Iron Ore, 62% Fe CFR China-s	n.a.
Shredded Scrap, US Midwest-s,m	n.a.
Steel, HRC USA, FOB Midwest Mill-s	n.a.
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.2%-v,w	42100
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	41100
BMI Cobalt sulphate, EXW China, >20.5% -v,m	5041
BMI Nickel Sulphate, EXW China, >22%-v,m	4512
BMI Flake Graphite, FOB China, -100 Mesh, 94-95% -v,m	688
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.7500
Cotton,1 1/16 std lw-mdMphs-u	0.8173
Cotlook 'A' Index-t	*93.75
Hides,hvy native steers piece fob-u	n.a.
Wool,64s,staple,Terr del-u,w	n.a.
Grains and Feeds	
Barley,top-quality Mnpls-u	n.a.
Bran,wheat middlings, KC-u,w	133
Corn,No. 2 yellow,Cent IL-bp,u	6.1200
Corn gluten feed,Midwest-u,w	164.4
Corn gluten meal,Midwest-u,w	545.7
Cottonseed meal-u,w	363
Hominy feed,Cent IL-u,w	185
Meat-bonemeal,50% pro Mnpls-u,w	455
Oats,No.2 milling,Mnpls-u	3.8900
Rice, Long Grain Milled, No. 2 AR-u,w	37.25
Sorghum,(Milo) No.2 Gulf-u	n.a.
SoybeanMeal,Cent IL,rail,ton48%-u,w	408.20
Soybeans,No.1 yllw IL-bp,u	13.0700
Wheat,Spring14%-pro Mnpls-u	9.5750
Wheat,No.2 soft red,St.Louis-u	5.9275
Wheat - Hard - KC (USDA) $ per bu-u	8.5550
Wheat,No.1soft white,Portld,OR-u	7.0000
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	281.45
select 1-3,600-900 lbs.-u	263.51
Broilers, National comp wtd. avg.-u,w	1.4304
Butter,AA Chicago-d	2.4550
Cheddar cheese,bbl,Chicago-d	149.75
Cheddar cheese,blk,Chicago-d	142.00
Milk,Nonfat dry,Chicago lb.-d	115.50
Coffee,Brazilian,Comp-y	1.7723
Coffee,Colombian, NY-y	2.1591
Eggs,large white,Chicago-u	1.1150
Flour,hard winter KC-p	21.40
Hams,17-20 lbs,Mid-US fob-u	0.77
Hogs,Iowa-So. Minnesota-u	78.81
Pork bellies,12-14 lb MidUS-u	0.8730
Pork loins,13-19 lb MidUS-u	1.2054
Steers,Tex.-Okla. Choice-u	n.a.
Steers,feeder,Okla. City-u,w	n.a.
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	n.a.
Grease,choice white,Chicago-h	0.5400
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u,w	0.5157
Tallow,bleach;Chicago-h	0.5675
Tallow,edible,Chicago-u	n.a.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 5/30

Source: Dow Jones Market Data

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%) Latest	Low	High
Broad Market Bloomberg Fixed Income Indices					
1999.05	2.5	U.S. Aggregate	4.620	3.370	5.210
U.S. Corporate Indexes Bloomberg Fixed Income Indices					
2950.88	2.8	U.S. Corporate	5.370	4.280	6.130
2854.99	2.5	Intermediate	5.300	4.000	6.050
3920.88	3.3	Long term	5.520	4.690	6.370
574.29	3.0	Double-A-rated	4.680	3.630	5.320
783.00	2.9	Triple-B-rated	5.680	4.590	6.440
High Yield Bonds ICE BofA					
480.64	3.7	High Yield Constrained	8.856	7.165	9.623
447.46	6.4	Triple-C-rated	14.755	12.696	16.916
3235.11	3.9	High Yield 100	n.a.	6.596	8.753
418.80	3.2	Global High Yield Constrained	8.943	7.266	9.945
320.73	3.8	Europe High Yield Constrained	7.486	5.568	8.508
U.S Agency Bloomberg Fixed Income Indices					
1727.17	2.1	U.S Agency	4.620	2.960	5.080
1526.54	1.9	10-20 years	4.630	2.900	5.100
3346.25	4.8	20-plus years	4.560	3.600	5.240
2608.67	2.9	Yankee	5.090	3.910	5.840
Mortgage-Backed Bloomberg Fixed Income Indices					
1981.47	2.3	Mortgage-Backed	4.700	3.300	5.380
1951.47	2.4	Ginnie Mae (GNMA)	4.750	3.320	5.370
1166.30	2.3	Fannie mae (FNMA)	4.680	3.300	5.390
1783.19	2.1	Freddie Mac (FHLMC)	4.770	3.300	5.370
564.56	1.4	Muni Master	3.418	2.419	3.936
402.80	1.2	7-12 year	3.066	2.325	3.794
453.68	2.5	12-22 year	3.751	2.991	4.428
426.44	3.5	22-plus year	4.390	3.674	5.131
Global Government J.P. Morgan†					
n.a.	n.a.	Global Government	n.a.	n.a.	n.a.
n.a.	n.a.	Canada	n.a.	n.a.	n.a.
n.a.	n.a.	EMU§	n.a.	n.a.	n.a.
n.a.	n.a.	France	n.a.	n.a.	n.a.
n.a.	n.a.	Germany	n.a.	n.a.	n.a.
n.a.	n.a.	Japan	n.a.	n.a.	n.a.
n.a.	n.a.	Netherlands	n.a.	n.a.	n.a.
n.a.	n.a.	U.K.	n.a.	n.a.	n.a.
782.48	1.8	Emerging Markets **	7.852	6.866	9.159

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds † In local currency § Euro-zone bonds
** EMBI Global Index
Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P.Morgan

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

Coupon (%)	Country/ Maturity, in years	Yield (%) Latest	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasurys, in basis points Latest	Prev	Year ago
4.250	**U.S.** 2	4.388 ▼	4.473	4.064	2.540			
3.375	10	3.636 ▼	3.697	3.451	2.842			
3.250	**Australia** 2	3.564 ▼	3.599	3.059	2.493	-83.1	-84.9	-6.0
4.500	10	3.614 ▼	3.688	3.353	3.352	-2.1	-0.4	49.9
0.000	**France** 2	2.900 ▼	2.969	2.892	0.362	-149.5	-148.0	-219.0
3.000	10	2.844 ▼	2.907	2.895	1.649	-79.1	-78.5	-120.4
2.800	**Germany** 2	2.713 ▼	2.784	2.703	0.508	-168	-166.5	-204.4
2.300	10	2.284 ▼	2.336	2.313	1.123	-135.1	-135.7	-173.0
3.400	**Italy** 2	3.444 ▲	3.414	3.340	0.998	-95.0	-103.4	-155.5
4.400	10	4.081 ▼	4.155	4.182	3.131	44.6	46.3	27.8
0.005	**Japan** 2	-0.056 ▲	-0.056	-0.050	-0.074	-445.1	-450.5	-262.7
0.500	10	0.433 ▼	0.436	0.389	0.240	-320.2	-325.6	-261.3
0.000	**Spain** 2	3.039 ▼	3.097	3.007	0.748	-135.5	-135.2	-180.5
3.150	10	3.347 ▼	3.399	3.370	2.245	-28.8	-29.3	-60.8
0.625	**U.K.** 2	4.333 ▼	4.375	3.782	1.587	-6.2	-7.3	-96.6
4.250	10	4.181 ▼	4.216	3.718	2.102	54.6	52.4	-75.1

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

May 31, 2023

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	April index level	Chg From (%) March '23	April '22
U.S. consumer price index			
All items	303.363	0.51	4.9
Core	306.899	0.47	5.5

International rates

	Latest	Week ago	52-Week High	Low
Prime rates				
U.S.	8.25	8.25	8.25	4.00
Canada	6.70	6.70	6.70	3.20
Japan	1.475	1.475	1.475	1.475
Policy Rates				
Euro zone	3.75	3.75	3.75	0.00
Switzerland	2.00	2.00	2.00	0.00
Britain	4.50	4.50	4.50	1.00
Australia	3.85	3.85	3.85	0.35
Overnight repurchase				
U.S.	5.05	5.08	5.12	0.71

U.S. government rates

	Latest	Week ago	52-Week High	Low
Discount	5.25	5.25	5.25	1.00
Federal funds				
Effective rate	5.0900	5.0900	5.1000	0.8300
High	5.4000	5.4000	5.4000	0.9500
Low	5.0600	5.0600	5.0800	0.8000
Bid	5.0800	5.0700	5.0800	0.8300
Offer	5.1100	5.0900	5.1200	0.8400
Treasury bill auction				
4 weeks	5.750	5.370	5.840	0.740
13 weeks	5.300	5.250	5.300	1.120
26 weeks	5.290	5.170	5.290	1.580

Secondary market

	Latest	Week ago	52-Week High	Low
Fannie Mae				
30-year mortgage yields				
30 days	6.289	6.216	6.812	4.321
60 days	6.305	6.228	6.988	4.390

Other short-term rates

	Latest	Week ago	52-Week high	low
Call money	7.00	7.00	7.00	2.75
Commercial paper (AA financial)				
90 days	n.a.	n.a.	5.23	1.33
Libor				
One month	5.19300	5.14086	5.19300	1.11971
Three month	5.51671	5.42443	5.51671	1.62600
Six month	5.64571	5.53214	5.64571	2.10929
One year	5.71557	5.53371	5.88071	2.77543
Secured Overnight Financing Rate	5.06	5.05	5.06	0.69

	Latest	Value Traded	52-Week High	Low
DTCC GCF Repo Index				
Treasury	5.178	35.250	5.178	0.700
MBS	5.191	67.100	5.191	0.770

Notes on data:
U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective May 4, 2023. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective May 4, 2023. **Secured Overnight Financing Rate** is as of May 30, 2023. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Wednesday, May 31, 2023

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
CnsmrDiscSelSector	XLY	151.61	−0.90	17.4
CnsStapleSelSector	XLP	72.67	0.11	−2.5
DimenUSCoreEq2	DFAC	25.32	−0.86	4.3
EnSelSectorSPDR	XLE	76.59	−1.76	−12.4
FinSelSectorSPDR	XLF	31.76	−1.06	−7.1
HealthCareSelSect	XLV	127.83	0.86	−5.9
InvscQQQI	QQQ	347.99	−0.57	30.7
InvscS&P500EW	RSP	139.61	−0.87	−1.2
iShCoreDivGrowth	DGRO	49.09	−0.45	−1.8
iShCoreMSCIEAFE	IEFA	66.03	−0.99	7.1
iShCoreMSCIEM	IEMG	47.58	−0.81	1.9
iShCoreMSCITotInt	IXUS	60.88	−0.96	5.2
iShCoreS&P500	IVV	419.43	−0.62	9.2
iShCoreS&P MC	IJH	240.22	−1.40	−0.7
iShCoreS&P SC	IJR	92.43	−1.30	−2.3
iShCoreS&PTotUS	ITOT	91.88	−0.58	8.3
iShCoreTotalUSDBd	IUSB	45.62	0.29	1.5
iShCoreUSAggBd	AGG	98.57	0.36	1.6
iShESGAwareUSA	ESGU	91.94	−0.54	8.5
iShEdgeMSCIMinUSA	USMV	71.44	−0.08	−0.9
iShEdgeMSCIUSAQual	QUAL	127.10	−0.94	11.5
iShGoldTr	IAU	37.20	0.16	7.5
iShiBoxx$HYCpBd	HYG	74.11	−0.31	0.7
iShiBoxx$InvGrCpBd	LQD	107.62	0.33	2.1
iShJPMUSDEmBd	EMB	84.78	−0.13	0.2
iShMBS	MBB	93.98	0.61	1.3
iShMSCIACWI	ACWI	91.62	−0.72	7.9
iShMSCI EAFE	EFA	70.67	−1.04	7.7
iSh MSCI EM	EEM	38.19	−0.93	0.8
iShMSCIEAFEValue	EFV	47.60	−1.35	3.7
iShNatlMuniBd	MUB	106.37	0.13	0.8
iSh1-5YIGCorpBd	IGSB	50.34	0.08	1.0
iSh1-3YTreaBd	SHY	81.68	0.10	0.6
iShRussMC	IWR	67.60	−0.91	0.2
iShRuss1000	IWB	229.06	−0.57	8.8
iShRuss1000Grw	IWF	258.40	−0.52	20.6
iShRuss1000Val	IWD	148.62	−0.54	−2.0
iShRussell2000	IWM	173.77	−0.99	−0.3
iShS&P500Grw	IVW	66.48	−0.57	13.6
iShS&P500Value	IVE	151.50	−0.47	4.4
iShSelectDiv	DVY	108.50	−0.98	−10.0
iSh7-10YTreaBd	IEF	98.06	0.38	2.4
iShShortTreaBd	SHV	110.41	0.02	0.4
iShTIPSBondETF	TIP	108.30	0.13	1.7
iSh20+YTreaBd	TLT	102.99	0.87	3.4
iShUSTreasuryBd	GOVT	23.14	0.35	1.8
JPMEquityPrem	JEPI	54.02	−0.06	−0.9
JPM UltShIncm	JPST	50.23	0.06	0.2
ProShUltPrQQQ	TQQQ	34.75	−2.03	100.9
SPDRBbg1-3MTB	BIL	91.77	0.02	0.3
SPDR DJIA Tr	DIA	329.52	−0.30	−0.5
SPDR Gold	GLD	182.32	0.15	7.5
SPDRPtfDevxUS	SPDW	31.70	−0.97	6.8
SPDRS&P500Value	SPYV	40.65	−0.49	4.5
SPDRPtfS&P500	SPLG	49.14	−0.51	9.2
SPDRS&P500Growth	SPYG	57.59	−0.57	13.7
SPDR S&P 500	SPY	417.85	−0.55	9.3
SchwabIntEquity	SCHF	34.48	−1.00	7.0
SchwabUS BrdMkt	SCHB	48.61	−0.55	8.5
SchwabUS Div	SCHD	69.59	−0.83	−7.9
SchwabUS LC	SCHX	49.29	−0.54	9.2
SchwabUS LC Grw	SCHG	70.28	−0.44	26.5
SPDR S&PMdCpTr	MDY	440.15	−1.35	−0.6
SPDR S&P Div	SDY	117.30	−0.96	−6.2
TechSelectSector	XLK	164.28	−0.83	32.0
UtilitiesSelSector	XLU	64.93	0.92	−7.9
VanEckGoldMin	GDX	30.91	2.35	7.9
VangdInfoTech	VGT	416.88	−0.91	30.5
VangdSC Val	VBR	151.86	−1.42	−4.4
VangdExtMkt	VXF	137.83	−0.81	3.7
VangdDivApp	VIG	153.25	−0.49	0.9
VangdFTSEAWxUS	VEU	52.62	−0.94	4.9
VangdFTSEDevMk	VEA	44.63	−0.98	6.3
VangdFTSE EM	VWO	39.05	−0.71	0.2
VangdFTSE Europe	VGK	60.22	−1.07	8.6
VangdGrowth	VUG	265.06	−0.59	24.4
VangdHlthCr	VHT	235.86	0.75	−4.9
VangdHiDiv	VYM	101.36	−0.63	−6.3
VangdIntermBd	BIV	76.00	0.34	2.3
VangdIntrCorpBd	VCIT	79.27	0.27	2.3
VangdIntermTrea	VGIT	59.51	0.27	1.8
VangdLC	VV	190.91	−0.52	9.6
VangdMC	VO	203.78	−0.79	−0.0
VangdMC Val	VOE	127.92	−1.07	−5.4
VangdMBS	VMBS	46.21	0.74	1.5
VangdRealEst	VNQ	80.00	0.50	−3.0
VangdS&P500ETF	VOO	383.89	−0.54	9.3
VangdST Bond	BSV	76.14	0.14	1.1
VangdSTCpBd	VCSH	75.95	0.07	1.0
VangdShtTmInfltn	VTIP	47.53	0.11	1.8
VangdShortTrea	VGSH	58.16	0.09	0.6
VangdSC	VB	183.62	−1.12	0.0
VangdTaxExemptBd	VTEB	50.00	0.10	1.0
VangdTotalBd	BND	73.04	0.33	1.7
VangdTotIntlBd	BNDX	48.95	0.39	3.2
VangdTotIntlStk	VXUS	54.28	−0.95	4.9
VangdTotalStk	VTI	207.18	−0.60	8.4
VangdTotWrldStk	VT	92.27	−0.74	7.1
VangdValue	VTV	134.77	−0.43	−4.0
WisdTrFRTrea	USFR	50.33	0.06	0.1

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Spread*, in basis points Current	One-day change	Last week
AstraZeneca	AZN	3.375	4.66	Nov. 16, '25	28	−11	33
Metropolitan Life Global Funding	...	3.450	5.19	Dec. 18, '26	112	−7	128
Morgan Stanley	MS	3.625	4.84	Jan. 20, '27	110	−7	116
Bank of Montreal	BMO	3.700	5.33	June 7, '25	92	−6	93
Bank of New Zealand	BZLNZ	4.846	5.00	Feb. 7, '28	121	−6	n.a.
Cisco Systems	CSCO	5.900	4.97	Feb. 15, '39	94	−6	97
CVS Health	CVSPAS	6.943	6.37	Jan. 10, '30	229	−6	n.a.
UnitedHealth	UNH	3.850	4.50	June 15, '28	75	−6	79

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week
HSBC Holdings	HSBC	4.250	5.88	Aug. 18, '25	150	53	142
Sumitomo Mitsui Financial	SUMIBK	5.766	5.21	Jan. 13, '33	157	14	156
Lincoln National	LNC	7.000	6.83	June 15, '40	278	13	295
Royal Bank of Canada	RY	3.625	5.03	May 4, '27	128	11	n.a.
Banco Santander	SANTAN	4.250	5.58	April 11, '27	183	11	188
UnitedHealth	UNH	3.750	4.72	July 15, '25	33	11	31
Altria	MO	4.250	6.35	Aug. 9, '42	233	10	229
Shell International Finance	RDSALN	6.375	5.25	Dec. 15, '38	163	10	151

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week
Occidental Petroleum	OXY	6.450	6.21	Sept. 15, '36	102.103	0.85	101.125
Ford Motor	F	4.750	7.25	Jan. 15, '43	74.000	0.75	73.085
Navient	NAVI	6.750	8.70	June 15, '26	94.900	0.48	94.785
Dish DBS	...	7.750	29.55	July 1, '26	57.750	0.25	54.500
Teva Pharmaceutical Finance Netherlands	...	3.150	6.76	Oct. 1, '26	89.400	0.24	89.254
Seagate HDD Cayman	...	4.750	6.21	Jan. 1, '25	97.830	0.23	97.500
ZF North America Capital	ZFFNGR	4.750	6.30	April 29, '25	97.250	0.22	97.239
Venture Global Calcasieu Pass	VENTGL	4.125	6.29	Aug. 15, '31	86.280	0.13	86.000

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week
Bath & Body Works	BBWI	7.600	9.05	July 15, '37	88.540	−1.71	88.719
Lumen Technologies	LUMN	7.650	22.38	March 15, '42	35.362	−0.64	37.000
Xerox	XRXCRP	6.750	10.26	Dec. 15, '39	72.346	−0.39	72.900
Occidental Petroleum	OXY	7.150	6.20	May 15, '28	104.000	−0.38	n.a.
Ford Motor Credit	...	3.370	6.17	Nov. 17, '23	98.750	−0.35	98.595
QVC	QVCN	4.850	10.77	April 1, '24	95.400	−0.35	95.155
Intesa Sanpaolo	ISPIM	5.710	7.84	Jan. 15, '26	95.026	−0.26	96.242
Bausch Health	BHCCN	11.000	18.30	Sept. 30, '28	75.750	−0.25	77.490

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.
Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
- i-New 52-week high.
- l-New 52-week low.
- **dd**-Indicates loss in the most recent four quarters.
- **FD**-First day of trading.
- **h**-Does not meet continued listing standards
- **lf**-Late filing
- **q**-Temporary exemption from Nasdaq requirements.
- **t**-NYSE bankruptcy
- **v**-Trading halted on primary market.
- **vj**-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Wednesday, May 31, 2023

A B C

Stock	Sym	Close	Net Chg
AECOM	ACM	78.05	1.24
AES	AES	19.74	-0.16
Aflac	AFL	64.21	-1.03
AGCO	AGCO	110.28	-2.45
AMC Ent	AMC	4.50	-0.13
Ansys	ANSS	323.59	-5.57
BankofMontreal	BMO	83.41	-0.47
BankNY Mellon	BK	40.20	-0.49
BankNovaScotia	BNS	48.31	-0.53
Barclays	BCS	7.52	-0.24
BarrickGold	GOLD	16.88	0.10
Bath&BodyWks	BBWI	35.24	-1.05
BaxterIntl	BAX	40.72	0.39
BectonDicknsn	BDX	241.76	3.37
BeiGene	BGNE	220.93	-7.34
Coca-ColaEuro	CCEP	62.39	0.33
Cognex	CGNX	54.96	-0.88
CognizantTech	CTSH	62.49	0.04
CoinbaseGlbl	COIN	62.20	1.03
ColgatePalm	CL	74.38	-0.57
Comcast A	CMCSA	39.35	0.19
SABESP	SBS	10.42	-0.01
ConagraBrands	CAG	34.87	0.58
Confluent	CFLT	31.74	0.90

Stock	Sym	Close	Net Chg
Steris	STE	199.97	0.42
Stevanato	STVN	26.91	0.32
STMicroelec	STM	43.44	0.10
Stryker	SYK	275.58	4.09
SumitomoMits	SMFG	8.06	0.07
SunComms	SUI	126.63	-0.79
SunLifeFinancial	SLF	48.39	0.02
SuncorEnergy	SU	28.00	-0.55
SuperMicroComp	SMCI	223.95	-10.15
Suzano	SUZ	8.87	-0.06
Symbotic	**SYM**	**32.98**	**-4.56**
Uber	UBER	37.93	0.37
Ubiquiti	UI	163.15	-1.81
UiPath	**PATH**	**17.89**	**1.32**
UltaBeauty	ULTA	409.83	-2.37
Unilever	UL	49.94	-0.03
UnionPacific	UNP	192.52	-1.68
UnitedAirlines	UAL	47.47	-0.54
UnitedMicro	UMC	8.26	-0.13
UPS B	UPS	167.00	-2.76
UnitedRentals	URI	333.79	-12.73
US Bancorp	USB	29.90	-0.76
Yum!Brands	YUM	128.69	0.90
YumChina	YUMC	56.46	0.16
ZTO Express	ZTO	25.24	0.03
ZebraTech	ZBRA	262.57	-5.21
Zillow C	Z	45.61	0.90
Zillow A	ZG	44.79	0.89
ZimmerBiomet	ZBH	127.34	0.91
Zoetis	ZTS	163.01	2.07
ZoomVideo	ZM	67.13	1.45
ZoomInfoTech	ZI	24.73	...
Zscaler	ZS	135.48	0.76

D E F

G H I

J K L

M N

O P Q

R S

T U V

W X Y Z

IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL IPO date/Offer price	Wed's close ($)	% Chg From Offer price	% Chg From 1st-day close
Atmus Filtration Tech **ATMU** May 26/$19.50	20.74	**6.4**	−4.2
Inflection Point Acquisition II **IPXXU** May 25/$10.00	10.08	**0.8**	0.1
CaliberCos **CWD** May 17/$4.00	2.52	**−37.0**	−58.0
Strong Global Entertainment **SGE** May 16/$4.00	3.20	**−20.0**	−13.7
Acelryn **SLRN** May 5/$18.00	18.10	**0.6**	−23.0
Alchemy Investments Acquisition **ALCYU** May 5/$10.00	10.15	**1.5**	0.4
Kenvue **KVUE** May 4/$22.00	25.09	**14.0**	−6.7
Golden Star Acquisition **GODNU** May 2/$10.00	10.29	**2.9**	1.4
Interactive Strength **TRNR** April 28/$8.00	5.08	**−36.5**	−23.1
Ares Acquisition II **AACT.UT** April 21/$10.00	10.18	**1.8**	1.1

Sources: Dow Jones Market Data; FactSet

Dividend Changes

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Stocks					
Applied UV	AUVI		1:5		/May31
Foreign					
ChipMOS Technologies ADR	IMOS	13.6	1.50067	A	Jul27/Jun30
Consolidated Water	CWCO	1.7	.085	Q	Jul31/Jul03
Elbit Systems	ESLT	1.0	.50	Q	Jul10/Jun26
Golar LNG	GLNG	...	.25		Jun16/Jun12
Infosys ADR	INFY	1.5	.21335	SA	Jul03/Jun02
JOYY ADR	YY	8.2	.51	Q	Jul05/Jun21
NetEase ADR	NTES	1.6	.465	Q	Jun26/Jun09
NXP Semiconductors	NXPI	2.3	1.014	Q	Jul06/Jun14
Silvercorp Metals	SVM	0.8	.0125	SA	Jun29/Jun12
Tsakos Energy Navigation	TNP	1.8	.30	SA	Jun15/Jun09
Weibo ADR	WB	...	.85		Jul26/Jun26

Sources: FactSet; Dow Jones Market Data

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Wednesday, May 31, 2023

Highs

Lows

Stock	Sym	52-Wk Hi/Lo	% Chg
NewConceptEner	GBR	0.91	-5.2
NewFortressEner	NFE	25.06	-0.7
NewellBrands	NWL	8.25	-5.7
NexstarMedia	NXST	148.00	-1.1
NiSunIntlEntDevt	NISN	3.38	-0.1
Nogin	NOGN	1.41	-10.0
NorthwestNat	NWN	42.23	-0.3
NovaBayPharm	NBY	0.61	-0.2
RandCapital	RAND	12.62	2.7
Renren	RENN	0.88	-3.2
ReToEcoSol	RETO	1.37	-2.7
RetractableTechs	RVP	1.08	-2.7
Revolve	RVLV	15.10	-5.2
RobertHalf	RHI	64.65	-2.6
SBA Comm	SBAC	218.61	...
Sabre	SABR	3.00	-2.5
Torrid	CURV	2.15	-2.6
TransCodeTherap	RNAZ	4.11	-8.9
Tredegar	TG	6.95	-2.6
Trinseo	TSE	11.79	-0.6
TrioPetroleum	TPET	1.36	-3.5
Tronox	TROX	10.58	-4.6
TuanChe	TC	0.45	...
UGI Un	UGIC	66.25	-1.5

Mutual Funds

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Ex-distribution. f-Previous day's quotation. g-Footnotes x and s apply. j-Footnotes e and s apply. k-Recalculated by Lipper, using updated data. p-Distribution costs apply, 12b-1. r-Redemption charge may apply. s-Stock split or dividend. t-Footnotes p and r apply. v-Footnotes x and e apply. x-Ex-dividend. z-Footnote x, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by Lipper; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Wednesday, May 31, 2023

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FHA Offers Mortgage Relief Plan

Struggling borrowers would get more time to pay while keeping low interest rates

By Ben Eisen

Rising interest rates are putting up new roadblocks for people struggling to pay their mortgages. Housing officials are working on a fix.

The Federal Housing Administration proposed a plan on Wednesday for mortgage borrowers who are behind on payments to get back on track by temporarily reducing their monthly bills. As part of it, borrowers would avoid giving up their superlow mortgage rates.

The FHA would essentially pay part of the homeowner's monthly bill, using its insurance fund, then structure the repayment as a second loan due after the first is paid off, officials said. It would be available to people who otherwise wouldn't benefit from a traditional modification that involves giving up their low rate for a higher one.

"We see a lot of people having to get modifications that either don't reduce their payment or in some cases raise their payment," said Julia Gordon, the assistant secretary for housing at the U.S. Department of Housing and Urban Development. "That's not going to have the success rate over time that we'd like to see."

The officials are trying to address a problem that is unique to this economy. The Federal Reserve is lifting interest rates and vowing to keep them elevated to combat inflation, last year pushing mortgage rates to their highest level in more than two decades. At the same time, the economy is showing signs of strain, and more Americans are running into financial trouble.

Historically, homeowner distress has risen when the U.S. is heading into a recession and the Fed is cutting interest rates to stimulate the economy. Struggling borrowers can then take advantage of falling rates to reduce their monthly mortgage payments.

In the financial crisis of 2008, for example, delinquent borrowers used modification programs offered by the federal government or their servicers to bring loans current. In doing so, they obtained the market interest rate. And since rates were falling, their new rate was typically lower.

Federal loan programs currently offer a menu of options for adjusting loans. One FHA option is to extend the term of the loan to 40 years to spread the payments out. But that also involves giving up the old interest rate.

The benchmark 30-year mortgage rate is now north of 6%, more than double the levels from the height of the pandemic. Modifying a mortgage and taking the going interest rate might mean paying hundreds of dollars more a month.

Gregory Schuknecht, of St. Johns, Fla., used a pandemic forbearance program to pause payments on his FHA mortgage. When he went to restart payments, his mortgage company in May offered him a modification with a higher interest rate.

The new rate is 6.875%, up from 3.875%, which would bring the monthly payment to about $1,900 from about $1,350. With the new terms, the mortgage would be fully paid off in 2063, far after the original maturity of 2046.

Schuknecht, who receives Social Security and does deliveries, said that despite the increased cost, he is glad to reinstate his mortgage. "I'm going to be out here delivering Walmart groceries day and night, but it keeps my kids at home," he said.

The new proposal could generate concerns that the government is giving away money to people who can't afford their mortgages. FHA officials pointed out that the government would get repaid at the end of the loan term, and that helping borrowers get back on track is less costly to the government than following through with a foreclosure.

Housing experts worry that saddling borrowers with higher mortgage payments puts them at risk of once again falling behind. A 2017 JPMorgan Chase Institute report found that a 10% mortgage-payment reduction reduced default rates by 22%.

The FHA-insured loan program is already focused on first-time home buyers and tends to serve borrowers with lower incomes and credit scores than mortgages backed by Fannie Mae or Freddie Mac. The program currently has about 320,000 seriously delinquent borrowers.

"Now when we say modification, we have to educate the borrower that you're likely to have a higher payment," said Marissa Vetter, a housing counselor at Jacksonville Area Legal Aid.

With the proposed new option, FHA would help struggling homeowners catch up on past due payments and reduce their monthly bill. For a period of up to five years, the monthly principal and interest payment may drop as much as 25% and the total FHA supplement could be as much as 30% of the loan balance.

If a homeowner has an $800 monthly principal and interest payment, the supplement from FHA might cover $200 so the homeowner only has to pay $600. The mortgage company would pay the $200 to the investor that owns the loan and then get reimbursed by FHA.

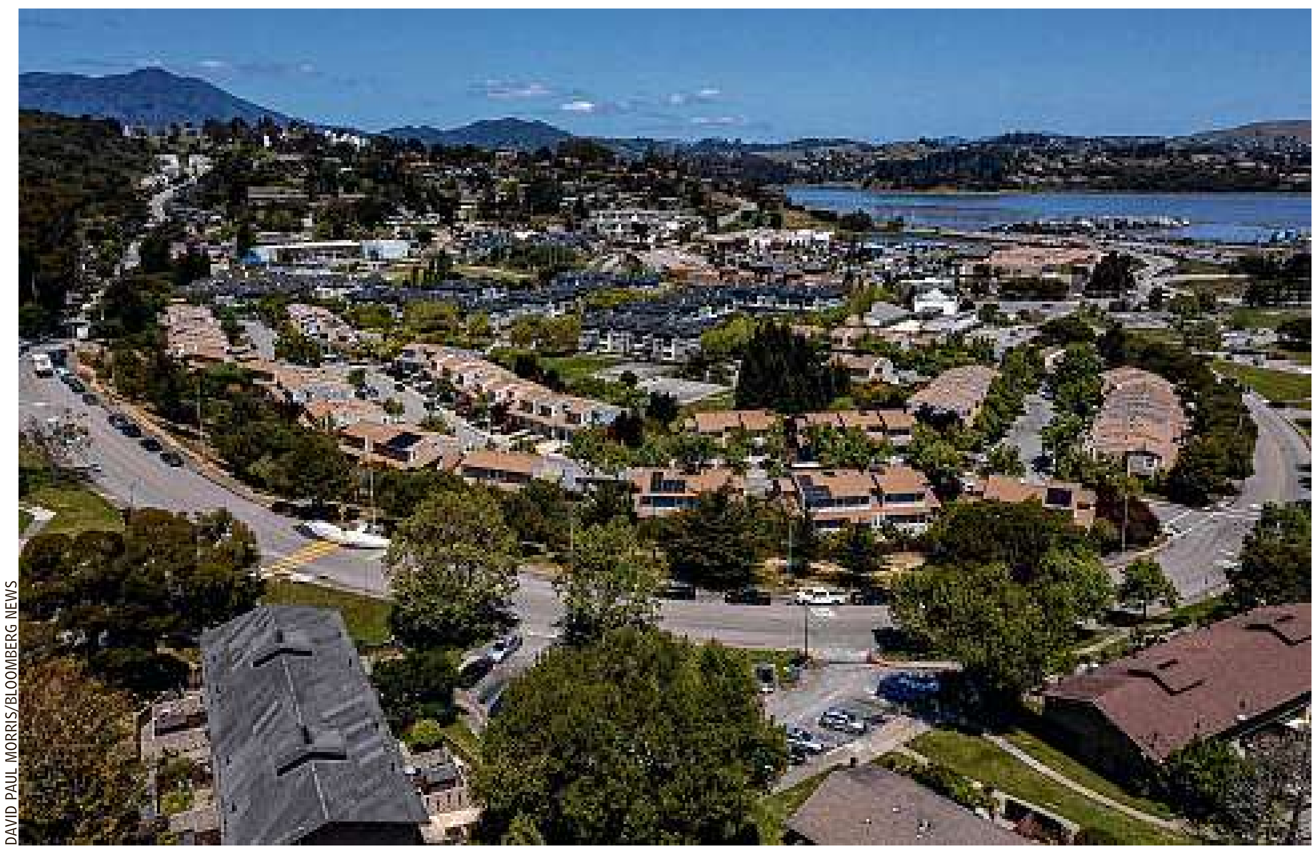
The homeowner would make up the payments at the end of the loan term, a similar repayment structure to the pandemic hardship programs rolled out in 2020.

FHA loans are typically pooled into mortgage bonds and sold to investors with government backing. To modify any features on a loan, the mortgage company must buy the loan out of the pool. The loan then needs to be reset to a market interest rate so that, once modified, it can be sold into a new pool of loans.

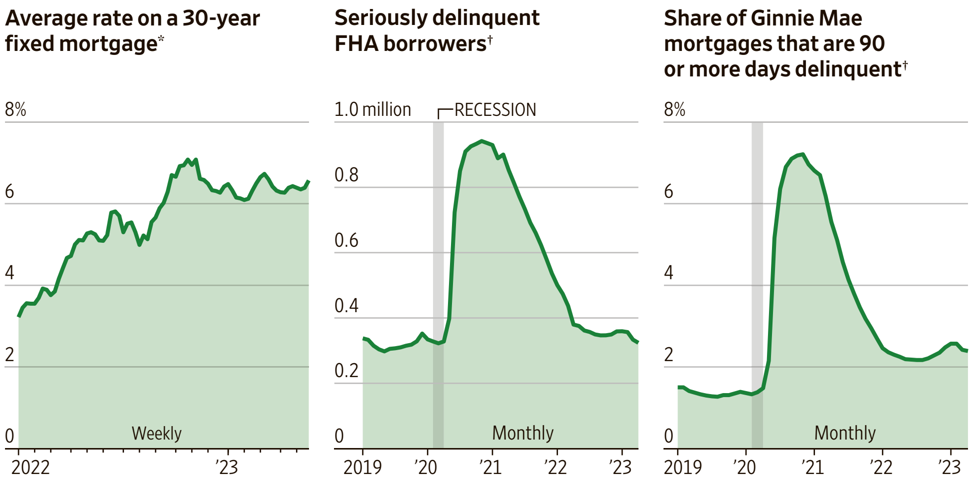
The new payment supplement doesn't change the terms of the loan, so it can remain in the pool with the current low interest rate. Investors continue to receive an uninterrupted stream of payments because of the amount that FHA kicks in.

Homeowner delinquencies spiked during the beginning of the pandemic, then came down. More recently they have been ticking up again. Among Ginnie Mae bonds, which contain FHA mortgages, some 2.39% of homeowners were 90 or more days behind on their mortgages in April, up from 2.25% a year earlier, according to JPMorgan data.

The proposal will be opened up to 30 days of public feedback, and would go into effect some time after that.


DAVID PAUL MORRIS/BLOOMBERG NEWS

Mortgage rates are at their highest in over 20 years, straining many people. Homes in Marin City, Calif.



*Through May 25 †Through April Sources: Freddie Mac (average rate); Federal Housing Administration (delinquent borrowers); JPMorgan (share)

Adams Street Doubles Down on Strategy

By Rod James

Asset manager **Adams Street Partners** in Chicago has raised around $3.2 billion to acquire secondhand stakes in private-equity funds, representing the largest amount the firm has collected for the strategy so far, according to a statement seen by The Wall Street Journal.

The firm's seventh secondaries investment program, which comprises the commingled Global Secondary Fund 7 and several separate accounts tailored to specific investors, is around 50% larger than the roughly $2 billion raised for the strategy in a campaign that concluded in 2019. About half of the $3.2 billion went into separately managed accounts, according to Jeff Akers, a partner and head of secondary investments for Adams Street.

Participants in the latest round of fundraising include the Minnesota State Board of Investment, which pledged $300 million to Fund 7, and the Ventura County Employees' Retirement Association, which invested $25 million, according to the WSJ Pro Private Equity LP Commitments database.

$3.2B
Sum raised for secondhand stakes in private-equity funds

Adams Street's secondaries unit often invests in managers and funds that the firm has dealt with previously through commitments from its private-equity vehicles as well as related co-investments, said Akers. He said his team prefers deals in "disruptive" sectors such as healthcare and technology.

There are a significant number of motivated sellers in the market looking to exit private assets because of liquidity constraints, Akers said. Many institutional investors have found themselves overexposed to private markets while money flowing out of those holdings has slowed in line with depressed deal-making activity, limiting their ability to make new commitments to private-equity funds.

Private-equity-backed mergers and acquisitions worldwide dropped 54% to $218.3 billion this year through May 25 compared with the same period last year, according to Refinitiv data.

"Many investors in private equity who laid plans for the next several years of investing back in 2019-20—those plans were disrupted pretty meaningfully," Akers said. As a result, more institutional investors have been selling parts or all of their fund holdings, and a higher proportion are choosing to sell through deals instigated by fund managers, he said.

Sponsor- or general-partner-led deals, as these transactions are known, give fund investors a chance to cash out by selling to secondary buyers or to reinvest in the asset for a renewed period.

Secondary funds have presented a rare bright spot in a tough private-equity fundraising market over the past year or so. Sponsors of the vehicles raised $62.4 billion in the four quarters through March, 39.6% more than in the comparable period a year earlier, driven by **Blackstone** closing on $22.2 billion for its Blackstone Strategic Partners IX fund early this year, the largest vehicle yet raised for the strategy, according to research provider PitchBook Data.

All other private-equity strategies saw declines in aggregate fundraising, with the biggest fall, nearly 64%, occurring among funds that invest in real assets, PitchBook said.

The close of Adams Street's latest campaign brings the firm's total secondaries capital under management to $8.2 billion, according to the statement announcing the fund close. Overall, Adams Street says on its website that it manages about $54 billion.

Companies Face Debt Strains

Continued from page B1

Recessions over the past 30 years have closely tracked the willingness of banks to lend out the cash they collect from depositors. Bankers are charging higher interest rates on loans to consumers and corporations and for commercial real estate, according to the Fed's senior loan officer opinion survey. They are also demanding that borrowers post more collateral.

Investors willing to take the risk are finding ways to benefit. Joel Holsinger, co-head of alternative credit at $360 billion fund manager Ares Management, specializes in lending to companies that fall in a credit gap because they can't easily borrow from banks *or* bond investors. The gap widened into a canyon in recent months, he said.

"Recessions and default cycles are healthy—they're the antibiotic that begins the healing," Holsinger said. "It also creates an opportunity for credit investors."

Bond markets, the other large pool of credit for U.S. borrowers, have also become much more expensive for borrowers because investors are taking less risk. Sales of new corporate bonds have plummeted. So have sales of mortgage-backed bonds and bonds backed by consumer loans.

Companies that need borrowed cash to grow, or simply to stay afloat, are running out of options. Corporate bankruptcy filings have hit their highest number since 2010, according to S&P Global Market Intelligence.

Financial stress has been most acute in commercial real estate. Landlords are struggling with higher interest expenses. They are also collecting less revenue from tenants who don't need as much office space because more employees work from home.

Banks are losing their appetite. The ratio of money lent out, compared with property value, dropped to a 30-year low in commercial mortgages this spring.

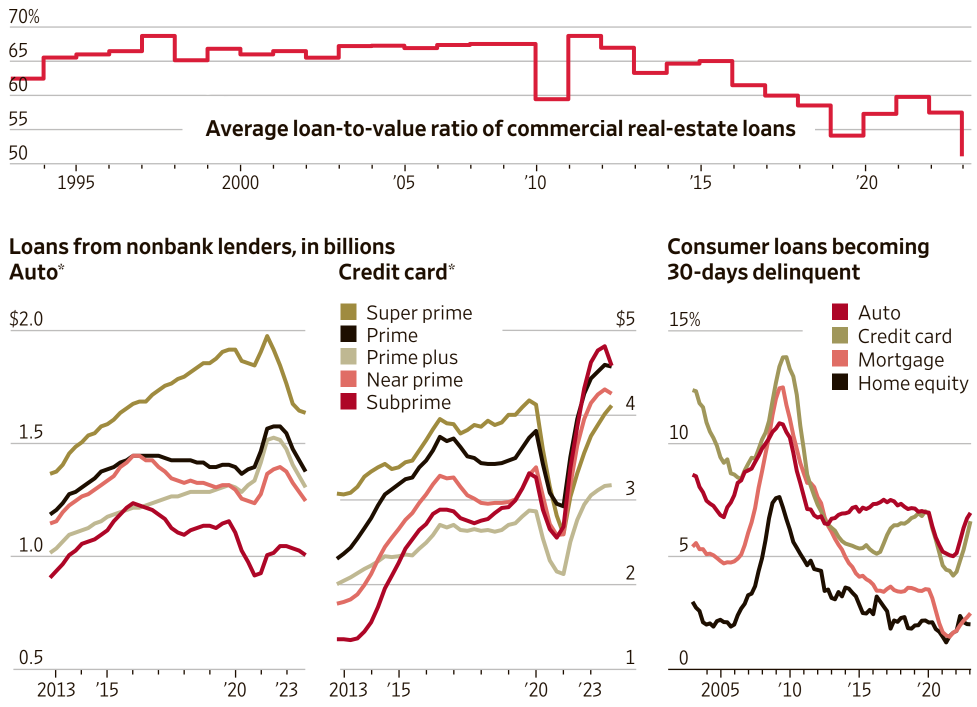
The disappearance of Signature Bank triggered a big drop in lending in New York's real-estate market. Signature was a top real-estate lender in the city, and the aftershocks of its March collapse might portend contractions elsewhere as banks across the country also pull back.

New commercial-mortgage issuance in New York City dropped sharply in the first four months of the year from the same period in 2022, according to Maverick Real Estate Partners.

Bond investors are also backing away and demanding more money when they do lend. Commercial mortgage-backed bonds with triple-A credit ratings—higher than the U.S. government's—pay nearly 2 percentage points more than comparable U.S. Treasury bonds.

The credit squeeze is trickling down to U.S. households. Fintech lenders, mortgage brokers and other nonbank lenders are cutting back credit because they can't borrow as much and because they see rising delinquencies on the horizon.

At the same time, many Americans are draining the savings they built up during the pandemic, when the government sent out stimulus checks and there were fewer places to spend money.



*One-year rolling average of quarterly figures
Sources: Ares Management, Federal Reserve, Goldman Sachs (loan-to-value ratio); TransUnion (auto, credit loans); Federal Reserve Bank of New York (consumer loans)

Franklin To Acquire Putnam

Continued from page B1

2.8% to $24.01 on Wednesday, giving the firm a market value of about $12 billion.

Great-West, which trades on the Toronto Stock Exchange, was little-changed at 38.42 Canadian dollars, equivalent to US$28.26.

Great-West will receive about $925 million, including about 33.3 million Franklin shares when the deal closes—

Franklin also owns Legg Mason, Lexington Partners and Alcentra.

making it one of the firm's largest shareholders—and a further $100 million in cash six months later.

Franklin could pay an additional $375 million over time if its new partnership with Great-West and Power Corp. hits its revenue-growth targets. Great-West and Power Corp. agreed to allocate $25 billion to Franklin investment managers within the first year of the partnership.

Great-West will keep Putnam's PanAgora, a Boston-based quant investment manager, and its seed capital.

Indexes Slide After Job-Openings Data

Intel is S&P's big winner, gaining 4.8%; Advance Auto Parts is laggard, losing 35%

By Jack Pitcher

Stocks fell after new Labor Department data showed increased job openings in April, reversing three months of declines and renewing investor concerns that the Federal Reserve isn't done lifting interest rates.

WEDNESDAY'S MARKETS

The data came on a day that several Fed officials signaled they are increasingly likely to hold interest rates steady at their June meeting before preparing to raise them again this summer.

The S&P 500 and Nasdaq Composite both fell 0.6%, while the Dow Jones Industrial Average ended 0.4% lower.

For the month, the Dow lost 3.5%, snapping a two-month winning streak. The S&P eked out a 0.2% gain in May, while The Nasdaq Composite rose 5.8%.

Traders in interest-rate futures have in recent days swung between pricing in a pause from the Fed or an additional rate hike at its June meeting.

They saw a greater than 60% chance of a rate hike after the jobs data Wednesday morning, but that fell to 30% after Fed governor Philip Jefferson said later in the day the central bank could hold interest rates steady at its next meeting but still lift them afterward. Stocks rallied off their lows of the day following Jefferson's comments.

"I see today's report as adding marginally to the case for additional tightening. A strong jobs report on Friday would add to this case further, as the Fed cannot afford to pause prematurely with core inflation well above 5%," said Ronald Temple, chief market strategist at Lazard.

Treasury yields slid, with the yield on the 10-year bond dropping to 3.636% from 3.697% Tuesday.

A rally in the shares of megacap technology firms **Nvidia**, **Microsoft** and Google-parent **Alphabet** helped power the S&P 500 higher for much of the month of May. Some investors were concerned about the market's reliance on just a handful of big stocks. While the S&P 500 is up 8.9% year to date, the equal-weighted version of the index is up 0.2%.

"If you can get some clarity on a recession, its timing, and what the Fed is going to do, hopefully we'll get some greater breadth that will allow the market to push higher. Without those things, we're kind of stuck," said Michael Arone, chief investment strategist at State Street Global Advisors.

"I think there is a limit to how high the megacap tech stocks can go and how much they can contribute," he added.

Hedge funds and other speculators have built up a bet that the S&P 500 will decline, marking their most-bearish positioning since 2007, according to data compiled by Bespoke Investment Group. They are more optimistic about tech stocks, with net bets that the Nasdaq 100 will rally near their highest levels since late 2022, according to the data from Commodity Futures Trading Commission compiled by Bespoke. Investors, however, pared back bets in recent weeks.

Nvidia shares fell 5.7% Wednesday, ending a furious three-day rally that saw the chip maker's market capitalization briefly cross over the $1 trillion mark during Tuesday trading. Investors have been piling into Nvidia shares in a bet that its technology will be in high demand from companies that produce generative artificial intelligence like the ChatGPT platform.

Nvidia rival **Intel** was the S&P 500's best performer Wednesday after its chief financial officer said Intel is on pace to hit the upper end of its revenue guidance for the second quarter. The shares closed up 4.8%.

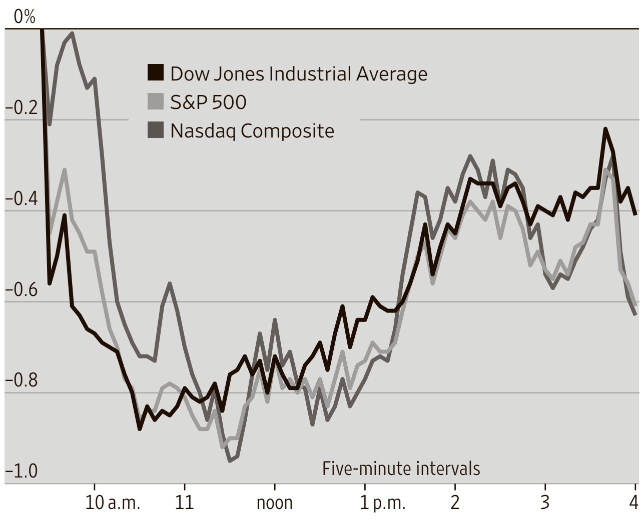
Advance Auto Parts was the index's laggard. The retailer's shares plunged 35% after the company reported a sharp drop in quarterly profit.

Global markets were broadly lower following a weak economic data release in China. An official gauge of China's manufacturing activity slipped unexpectedly in May even after the country eased its strict zero-Covid restrictions.

Oil extended its decline after the Chinese manufacturing data. Brent crude futures fell 1.2% to around $72.66 a barrel. China is the world's largest crude-oil importer.

Overseas, the Stoxx Europe 600 dropped 1.1%. Early Thursday, Japan's Nikkei 225 was up 0.3%, Hong Kong's Hang Seng Index was up 0.8% and the Shanghai Composite was up 0.4%. S&P 500 futures were flat.

Index performance on Wednesday



Source: FactSet

AUCTION RESULTS

Here are the results of Wednesday's Treasury auction. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

17-WEEK BILLS

Applications	$131,565,652,500
Accepted bids	$44,855,602,500
" noncompetitively	$367,142,200
" foreign noncompetitively	$0
Auction price (rate)	98.239792 (5.325%)
Coupon equivalent	5.511%
Bids at clearing yield accepted	35.30%
Cusip number	912797GV3

The bills, dated June 6, 2023, mature on Oct. 3, 2023.

Pessimism About China's Recovery Sends Its Stocks Into Bear Market

By Weilun Soon

Chinese shares are back in a bear market.

The country's stock market experienced a boom earlier this year, as investors bet on the economy bouncing back after the end of the government's strict zero-Covid policy, which locked down major cities and proved a drag on economic activity. But the rally didn't last.

Chinese shares are now tumbling, falling victim to increasing pessimism about the country's economic recovery. Official data has painted—at best—a mixed picture, with retail sales, factory production and fixed-asset investment all recently coming in weaker than economists had expected.

"I think what a lot of investors got wrong is actually underestimating the scarring effects of the pandemic," said Eric Khaw, senior portfolio manager for Asian equity at Nikko Asset Management. "At the moment, fear seems to be dominating the market sentiment," he said.

The MSCI China index, a broad gauge of Chinese shares, fell into a bear market last week after losing more than a fifth of its value from a January high. Stock indexes in Hong Kong and mainland China have also tumbled. On Wednesday, Hong Kong's Hang Seng fell 1.9%, taking its year-to-date decline to 7.8%. China's CSI 300 index of the largest companies listed in Shanghai or Shenzhen closed 1% lower, bringing its losses this year to 1.9%.

China's government took steps to boost a slumping property sector in November and abruptly abandoned its commitment to zero-Covid the following month. The surge in stock prices that followed continued until the end of January and led to more than $2 billion worth of flows into U.S.-based funds that buy Chinese shares.

Shares of Chinese internet giants **Alibaba Group Holding**, **Tencent Holdings** and **JD.com** were among the beneficiaries of the market rally that followed the end of zero-Covid. These companies had less to worry about on the policy side after Beijing signaled in January that it was ending a years-long crackdown on internet platforms.

But executives at these companies have expressed doubts about the pace of the recovery. Alibaba Chief Executive Daniel Zhang said in May that consumer confidence and spending power still needed to gain momentum. JD.com Chief Financial Officer Sandy Xu recently said Chinese consumers could remain cautious, especially about big-ticket spending. The company plans to boost sales by offering $1.4 billion worth of discounts at a coming shopping festival. Alibaba's shares are down 9.7% this year. JD.com's Hong Kong-listed shares have lost 43% of their value and on Wednesday, they closed at their lowest level since the company added a second listing in 2020. The company was already listed in the U.S.

Some investors also worry about politics, both inside and outside the country. The relationship between China and the U.S. soured further in February, when American officials shot down what they said was a Chinese surveillance balloon. China's focus on national security will make the government's policies less growth-friendly, Citi analysts wrote in a report on May 30.

Although Chinese officials appear to have ended their clampdown on the tech sector, investors still worry about the possibility that the government could move against other companies, said Sat Duhra, portfolio manager for Janus Henderson Investments' Asian dividend income strategy.

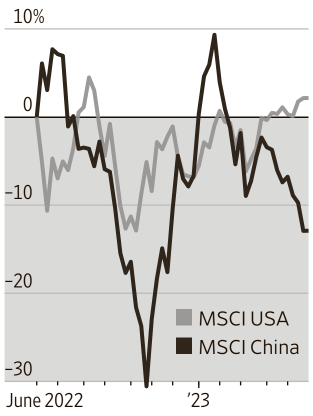
"They came out with regulation after regulation without warning the market…when you're a commercial investor, you lose confidence when you see those kinds of things happening," said Duhra.

On top of that, shares of China's state-owned enterprises have also struggled recently. The Hang Seng China Central State-Owned Enterprises index, which tracks the stock performances of Hong Kong-listed Chinese state-owned firms, hit a peak in early May as investors bet they would benefit from government policies. But the index has since fallen 10% as of Wednesday.

Some investors have found ways to bet on the economy without buying Chinese shares, turning instead to the stocks of luxury-goods makers and other companies that sell to local consumers.

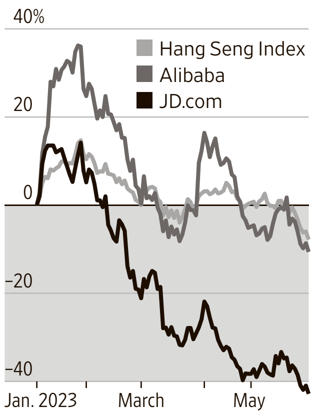
China's government has set a 5% economic growth target for this year. That is a conservative figure by Chinese standards, but well above projected growth in most other large economies.

Index performance over the past year, weekly*



*Data through May 30

Share-price and index performance, year to date



Source: FactSet

Brent Includes U.S. Oil

Continued from page B1

make or break fortunes for hedge funds, dictate wartime revenue for the Kremlin and determine fuel costs for businesses and drivers around the world.

A price-reporting agency known as Platts, part of **S&P Global**, calculates Brent based on oil that changes hands at Northern European terminals. The assessment originally focused on the market rate of crude from the Brent oil field, which is named for a goose and lies between Scotland's Shetland Islands and Norway.

The daily snapshot of real-world trade informs financial instruments such as futures and options contracts swapped by investors and energy companies, particularly on **Intercontinental Exchange**'s London-based trading venue.

COMMODITIES

As the Brent field's output tapered in recent decades, threatening to make the benchmark less representative of the physical market, Platts and ICE gradually expanded the calculation to include four other grades drilled elsewhere in the North Sea.

Now the stewards of Brent are turning stateside for the latest tweak of the formula.

Analysts said the change, years in the making, is an acknowledgment of how the shale revolution made the U.S. an energy superpower. Innovations in drilling technology primed the country to become an export juggernaut alongside Russia and Saudi Arabia.

The U.S. exported about 134,000 barrels of crude a day 10 years ago, according to the Energy Information Administration, nearly the capacity of California's seventh-largest refinery now. Daily exports in the first three months of this year averaged 4.1 million barrels, roughly more than the consumption of Japan.

Some analysts believe the addition of cheaper American barrels is likely to lower average prices overseas and boost earnings for U.S. exporters. With more oil underpinning Brent, its value should become less vulnerable to squeezes or manipulation.

"Once you become a benchmark, you have influence over all the other grades of crude," said Adi Imsirovic, director at Surrey Clean Energy and editor of a newly published history of Brent.

American traders, accustomed to a domestic market built around pipelines, in recent months worked with overseas colleagues to understand the alien world of seaborne trading known as the Brent complex.

On Wall Street, market players have funneled money into derivatives tied to oil that passes through Houston and Midland, Texas.

Through May 24, the average number of outstanding futures contracts tied to crude traded in those centers ballooned nearly 57% over 2022 levels, according to **CME Group**, which owns the New York Mercantile Exchange.

Confusingly, the new Brent assessment won't include what investors commonly call "U.S. crude." That typically refers to the West Texas Intermediate benchmark, a domestic price gauge that derives from a blend of oil grades traded at a hub in Cushing, Okla.

> 'Once you become a benchmark, you have influence over all the other grades.'

Instead, the Brent calculation will factor in oil drilled near Midland, which produces a light, sweet crude that refiners covet because it is relatively easy to turn into fuels such as gasoline and diesel.

America's ascent to this price-making role marks a historic U-turn. In the 1980s, imports helped stabilize a U.S. market suffering from collapsing prices and production.

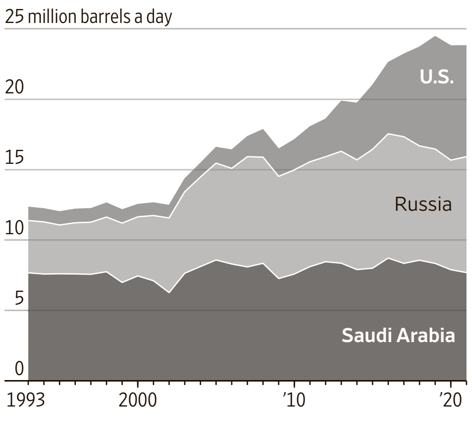
As the shale boom revved into high gear, however, Washington in 2015 allowed producers to sell oil to foreign buyers for the first time in 40 years.

Drillers, traders and pipeline operators have since thrown money into infrastructure carrying rivers of crude from regions such as the Permian to the Gulf Coast. Most exports hit the water at Houston or Corpus Christi, Texas.

Analysts project overall American production growth will slow this decade. But Sean Strawbridge, the departing chief executive of the Port of Corpus Christi, expects Permian drillers in the next few years will send hundreds of thousands of additional barrels each day to the facility for export, straining existing pipelines.

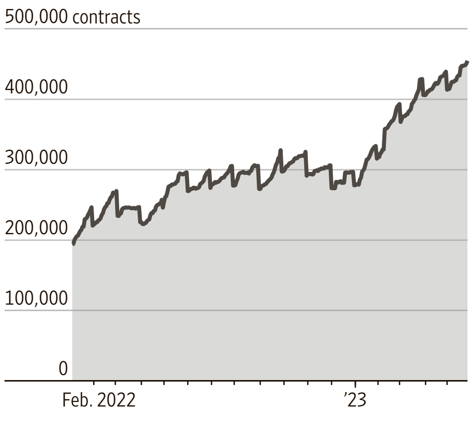
"At some point, we are going to need to see more steel being put in the ground if the global appetite for American barrels continues to grow," Strawbridge said.

Petroleum exports*, yearly



*Crude and refined products except fuel for ships

Outstanding contracts for oil sold in Houston and Midland, Texas†



†Data through May 24

Sources: BP (exports); CME Group (contracts)

ESG Motions Defeated

Continued from page B1

such as when drivers burn gasoline in their cars, also known as Scope 3 emissions. Those received only 11% and 10% of the vote among Exxon and Chevron investors, respectively, compared with 27% and 33% for similar proposals last year.

In recent weeks, similar climate proposals failed to win over most shareholders at annual meetings of British oil and gas giants BP and Shell in London.

Investment strategies linked to ESG, short for environmental, social and corporate-governance issues, had gained momentum in recent years, particularly following the onset of the pandemic in 2020. Investors pressed oil companies to show how they were working to reduce their climate footprint, set long-term environmental goals and curtail the flaring of unwanted natural gas.

In 2021, investment firm Engine No. 1 prevailed in a proxy battle against Exxon, winning three board seats at the company's annual meeting with the backing of investment firms, Vanguard, State Street and BlackRock. The firm argued that Exxon needed to form a better strategy to prepare for the world's anticipated energy transition.

After the defeat, Exxon adopted a net-zero commitment—a goal to reduce or offset greenhouse-gas emissions from its operations to zero by 2050.

But Wednesday's votes demonstrated how some shareholders have backed off pushing major oil companies to embrace certain climate goals. Investors said many voices pushing ESG measures have been drowned out following Russia's war in Ukraine, which caused oil and gas prices to skyrocket as global supplies were crimped.

Mark van Baal, founder of environmental activist group Follow This, said shareholders missed an opportunity at the annual votes. Investors know that avoiding climate disaster will require global emissions to fall by almost half by 2030, he said, but many are focused on short-term profits.

"It's incomprehensible that most investors still accept the U.S. super majors' refusal to cut emissions this decade," van Baal said.

The industry and its allies have said some countries, particularly in Europe, were too quick to move away from fossil fuels toward clean energy sources such as solar and wind. A movement against climate activism has gained political traction in the U.S., particularly among Republican voters. Entrepreneur Vivek Ramaswamy, a candidate for the Republican presidential nomination, has made anti-ESG policies a central plank of his campaign.

The pushback against ESG measures has also hit investment firms such as BlackRock, which have faced potential boycotts in Texas and other red states. Republican officials in Florida, Texas, Louisiana and South Carolina pulled more than $4 billion in pension and investment funds from **BlackRock** starting last year. BlackRock brought in $230 billion from U.S. clients in 2022.

It wasn't immediately clear how BlackRock, **State Street** and Vanguard voted at the meetings this week.

State Street and BlackRock declined to comment. Vanguard didn't immediately respond to a request for comment.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Are Megafirms Like Nvidia Too Big?

Generative AI, banking troubles and a volatile world economy are giving investors reasons to crowd into bigger companies

Investors have become convinced that big winners will win even bigger.

The market value of chip maker **Nvidia** briefly hit $1 trillion for the first time on Tuesday, giving it a seat among the likes of **Apple**, **Microsoft** and **Amazon.com**. The dominance of Silicon Valley companies, which flows from the massive economies of scale and network effects to be found in digital technology, appeared to wobble in 2022, but has come roaring back over the past three months.

As a result, the performance of the S&P 500 index has become even more dependent on its 10 largest members, which have gained 44% this year. Without them, the S&P 500 would be down slightly, instead of up around 10%. Its three-month outperformance relative to an equivalent index that weights all members equally is now at its widest since records start in 1990.

But this isn't just about tech. In every U.S. industry except telecommunications, the top-10 stocks have outpaced the rest.

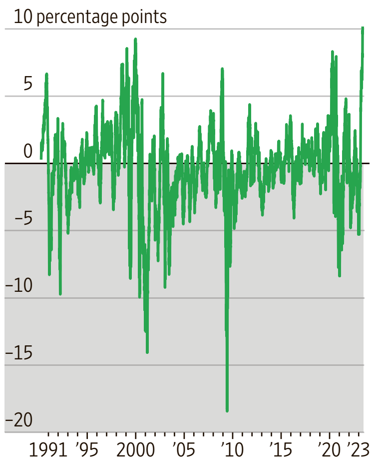
One reason is the unusual uncertainty surrounding the global economy. Many of today's market trends started in March, when several U.S. regional banks failed. Money has since flowed to what investors call quality firms—those with big cash buffers and strong margins—which in today's corporate landscape tend to be the larger, growth-focused companies. Smaller companies are more likely to be so-called value stocks that struggle amid economic volatility.

Yet this isn't just a scramble for havens. Investors also are responding to economic and technological change. "When people talk of structural forces, they think of further down the line, but actually they are playing out as we speak," said Wei Li, **BlackRock**'s global chief investment strategist.

This year's banking crisis, for example, has shown how regional lenders are far more vulnerable to changes in interest rates and market sentiment than their too-big-to-fail peers.

The past couple of years have

Difference in three-month performance between S&P 500 and S&P 500 Equal Weighted indexes



Source: FactSet

underscored the benefits of having pricing power at a time of inflation and diversified supply chains amid geopolitical fragmentation—advantages more often found in larger corporations. Governments' newfound appreciation for industrial policy also could end up promoting national champions.

Above all, though, there is the craze for language-generating artificial intelligence that started six months ago, when Microsoft-backed OpenAI released its ChatGPT tool.

Automatically generating texts, images and videos is a clear opportunity for the tech giants. Nvidia's latest stock-market surge was prompted by guidance that it stands to make a killing from the advanced chips needed for AI calculations. Yet a report published by UBS analysts on Tuesday also highlighted the technology's cost-cutting potential elsewhere. In sectors like media, leisure and commercial services, where labor makes up more than 30% of costs, companies are citing AI far more frequently, they find.

Though technological revolutions hand opportunities to small disrupters, they particularly punish incumbents with less data and resources to invest. The UBS report lists traded firms that appear likely to benefit from generative AI and those that will probably lose out. In every sector, the alleged winners are much larger companies, averaging a market capitalization of $36 billion, compared with $6.5 billion for the losers. In cases such as asset manager **Jupiter** and customer-experience firm **Majorel**, UBS explicitly cites lack of size as a hurdle to the companies benefiting from AI rather than succumbing to the pricing pressure it could unleash.

Of course, the potential of AI could be massively overhyped or misunderstood, or take much longer than expected to play out. The consequences of technological change are rarely predictable. Investors could end up paying dearly for jumping to big conclusions.

Still, innovation has an established history in globalized capitalism of rewarding fewer companies with a larger part of the gains. Unless ChatGPT can articulate a better strategy, today's stock-market bet on size may be one for investors to roll with. *—Jon Sindreu*

CFOTO/DDP/ZUMA PRESS

Headline readings for both the manufacturing and nonmanufacturing indexes dipped further after April's steep fall.

China Stall Dims Jobs Outlook

The first key read on China's economy for the month of May confirms what April data had hinted: The nation's post-Covid recovery, which handily outperformed economists' expectations in early 2023, has lost significant momentum.

There were a few bright spots in China's May purchasing managers indexes. The service sector employment subindex ticked up to 48.3 from 48.2, bucking the trend in manufacturing and construction—though still staying below the 50-point mark dividing expansion from contraction. Services activity as a whole slowed but remained comfortably above 50 at 53.8, down from 55.1 in April. All of that is consistent with the slow healing of the labor market: Earlier data showed that unemployment ticked down to 5.2% in April from 5.3% in March.

Still, it is clear that the recovery has lost some spark. Headline readings for both the manufacturing and nonmanufacturing indexes dipped further after April's steep fall.

Weaker export demand is probably a factor, but the main culprits appear to be the critical housing sector and persistently high youth unemployment and weak income growth. A coming wave of new graduates this summer will further exacerbate the problem: Unemployment in the 16-to-24 age bracket is already above 20%. The issue is particularly acute for college graduates—the jobless rate for them is around 40% higher than the overall youth population, according to Pantheon Economics.

While China's housing data in general was weak in April, the most worrying figure was a decline in new medium- and long-term consumer loans—a proxy for mortgages. Year-over-year growth in the outstanding stock of such loans stalled out, after three months of steady gains. And the actual value outstanding fell outright by 211 billion yuan, or about $29.7 billion, in April from March, according to figures from data provider CEIC—the largest decline since at least 2010.

Seasonal factors might be one reason, and some borrowers might be taking advantage of faster-falling rates in other parts of China's lending market to repay old, expensive mortgages. But with once upwardly mobile college graduates struggling and the labor market losing some momentum outside services, it is hard not to wonder if prospective buyers have become less confident about their financial prospects.

There are things the government could do to help. While mortgage rates have come down, banks would probably be inclined to do more if Beijing made more of an effort to lower their funding costs. The rate on the central bank's one-year, medium-term lending facility—one of the key inputs to China's benchmark loan prime rate—has been mired at 2.75% since late 2022, even as money-market rates and bond yields have fallen sharply since late April.

The new data add to the case for a rate cut this summer, unless the housing market shows more signs of life. China's services-sector recovery remains on track. But finding jobs for all those ambitious college grads—who would normally be in the market for a home—could prove more challenging.

If China can't square that circle, then it could face a double whammy in the coming years as the well-educated increasingly head abroad for greener pastures, putting further pressure on the beleaguered housing market and the economy. *—Nathaniel Taplin*

Surprising Strength In Employment Isn't Good News for Stocks

If you were wondering if the banking-sector problems set off by the collapse of Silicon Valley Bank in March have had much effect on employers' desire to hire workers, the short answer is no.

The Labor Department on Wednesday reported that the number of unfilled job openings on the last day of April rose to a seasonally adjusted 10.1 million from March's 9.75 million, bringing them to their highest level since January.

With the unemployment rate at its lowest in over 50 years, that brought the number of job openings per unemployed person to 1.8.

That wasn't as elevated as the record ratio of 2 times logged in March of last year.

However, the highest-ever reading before the pandemic—in data on job openings from the Labor Department and, before December 2000, a series constructed by Federal Reserve Bank of San Francisco economist Regis Barnichon starting in 1951—was the 1.7 logged back in 1953.

For people now seeking employment, this counts as good news. Not so for investors hoping the Federal Reserve's policy-setting committee will not only pause its interest-rate increases when it meets in two weeks, but stay paused.

Fed Chairman Jerome Powell has repeatedly emphasized the high openings-to-unemployed ratio as an indication of how extraordinarily tight the job market is. His and the Fed's hope is that this ratio can decline without the unemployment rate rising significantly. There is a debate over whether that can actually happen, but until it falls toward 1.2—the level it averaged over the year before the pandemic—the central bank will continue to worry that a too-tight labor market will put upward pressure on inflation.

Notwithstanding April's jump, job openings have been gradually falling.

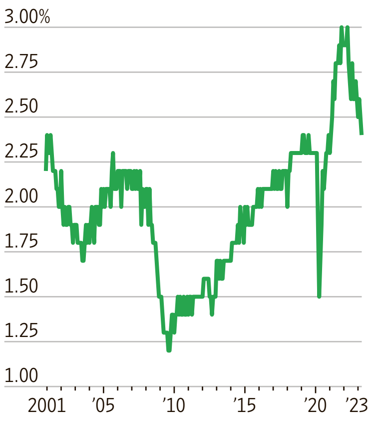
Moreover, other parts of Wednesday's report suggested employers are having an easier time holding on to and finding workers. The number of people quitting their jobs declined, for example, with the quits rate—the quits as a percentage of overall employment—declining to its lowest level since January 2021.

The number of people getting hired, meanwhile, picked up, suggesting that rather than poaching employees from each other, employers were increasingly tapping into new workforce entrants and the ranks of the unemployed.

The underlying message, however, is that the job market is still very strong, and for now nobody needs to worry about it suddenly going south.

They might need to worry about the Fed, though. *—Justin Lahart*

Number of job-market quits as a share of employment



Note: Seasonally adjusted
Source: Labor Department

Vaccine Fatigue Can Give Your Portfolio a Booster

Planning on getting boosted this fall? If you answered no, you aren't alone, and that is bad news for vaccine makers.

Moderna, **Pfizer** and its partner **BioNTech** are among the biggest losers in the healthcare sector this year, dropping more than 25% each. In all, more than $300 billion has been erased from their combined market value since they peaked during the pandemic.

The declines have been driven by a sense that as the Covid-19 emergency enters the rearview mirror, demand for boosters will continue to wane. Just last week, the European Commission cut the number of vaccines it is purchasing from Pfizer and BioNTech. Meanwhile, in the U.S., about 17% of the population has received the reformulated boosters that have been available since September. That is downright anemic when compared with a roughly 50% uptake rate for the flu shot most years.

The reasons few people are getting boosters are generally positive: Current Covid strains have been relatively mild and experts say most people have developed a degree of immunity by now. Global deaths and hospitalizations from Covid-19 are around their lowest since the start of the pandemic, and the World Health Organization recently declared the end of the global public-health emergency.

Sentiment could change this winter but the number of people who say they plan to get shots has been on a steady decline, according to TD Cowen surveys. "For people who are relatively young and have no comorbidities, many feel like they're just over this," says Yaron Werber, a biotech analyst at TD Cowen.

The Covid-19 cliff is making investors jittery. Moderna made a cumulative profit of about $20 billion in 2021 and 2022—an astounding number for a small biotech. But analysts polled by FactSet now project the company will be unprofitable for the next four years as revenue drops and it ratchets up its research and development expenses.

Pfizer, meanwhile, is projected by analysts to see sales from its Covid-19 products—the vaccine and oral treatment Paxlovid—decline to just over $20 billion in 2023 from more than $55 billion last year. And while prices per dose will increase as both companies shift from government purchase agreements to a commercial market in the U.S., investors are skeptical of Pfizer's projection that revenue will rebound after a trough year in 2023.

Yet Covid-19 will remain a durable market for years to come, with a chunk of the elderly population likely continuing to vaccinate. While it is impossible to predict how the virus will evolve, Jefferies analysts estimate that the total Covid vaccine market will generate global sales of $8 billion by 2030.

Pfizer's stock is trading roughly where it was before the pandemic began, though, as if the massive windfall from Covid-19 had never happened. It now has the highest dividend yield among big pharma companies—just over 4%—with one of the lowest price/earnings ratios. At these levels, there is more upside than downside to owning Pfizer, which has used its Covid riches to go on an acquisition spree.

And just as their Covid franchises tail off, Moderna and Pfizer stand to gain from a new market that is now opening up for RSV vaccines. Respiratory syncytial virus, or RSV, can lead to serious health problems such as difficulty breathing and pneumonia for infants and older adults. The U.S. market opportunity could surpass $6 billion, according to Jefferies.

Moderna is a riskier investment, but that comes with the territory of being a biotech. One of its most exciting prospects is its partnership with Merck to develop a personalized vaccine for cancer. In recently released results, its vaccines, given in combination with Merck's immunotherapy Keytruda, beat the immunotherapy alone. "We don't know yet how large of a category this will be, but this data makes us think that personalized cancer vaccines could finally be here," says Luca Issi, an analyst at RBC Capital Markets.

Vaccine fatigue is real, but with new opportunities on the horizon and at least some percentage of the population likely to continue taking annual boosters, investors are too bearish on vaccine makers. *—David Wainer*