# THE WALL STREET JOURNAL.

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**★★★★** \$5.00

**DJIA** 38791.35 **A** 130.30 0.3%

**NASDAQ** 16273.38 ▲ 1.5%

**STOXX 600** 503.16 ▲ 1.0%

**10-YR. TREAS.** ▲ 4/32, yield 4.090%

**GOLD** \$2,158.00 ▲ \$7.70

**EURO** \$1.0950 **YEN** 148.05

### What's News

#### Business & Finance

- ◆ The federal government began taking steps this week toward collecting as much as \$20 billion in delinquent loans it made to small businesses and nonprofits during the Covid-19 pandemic. A1
- ◆ U.S. stocks rose, with the S&P 500 gaining 1% to close at a record and the Nasdaq and Dow advancing 1.5% and 0.3%, respectively. **B11**
- ◆ Boeing, under fire for production snafus, will overhaul how it pays employee bonuses to emphasize quality and safety over meeting financial targets. B3
- ♦ NYCB slashed its quarterly dividend to 1 cent a share. part of an overhaul aimed at shoring up confidence in the troubled regional lender. B2
- **◆ Chemours executives** shifted cash flows at yearend to hit targets that determined their annual stock and bonus awards, an internal investigation found. B3
- ◆ Rivian unveiled two new sport-utility vehicles that the EV maker hopes will be a springboard for its sales. B4
- ◆ Merck KGaA expects to return to organic growth this year after reporting a slump in earnings for 2023. **B4**
- ♦ Hugo Boss said it expects sales and earnings to grow this year, but warned it might not meet 2025 sales guidance. B3
- ◆ Kroger reported that fourth-quarter sales rose 6% as the supermarket operator's CEO expressed optimism about consumer sentiment. B9
- ◆ The ECB held its key interest rate at a record and signaled it won't begin cutting rates before June. A8

#### World-Wide

- ♦ Biden sought to convince Americans that his policies have bolstered the economy and protected their freedoms in a State of the Union address designed to draw a sharp contrast with Republicans and Trump. A1, A4
- ◆ The president announced that the U.S. military will install a pier off the Gaza coast for cargo ships to unload emergency supplies, boosting the direct U.S. role in addressing the strip's humanitarian crisis. A7
- ◆ Power lines ignited the Smokehouse Creek Fire that burned more than a million acres in the Texas Panhandle, state investigators said. A3
- ◆ A congressional probe of Chinese-built cranes at U.S. ports found communications gear that doesn't appear to support normal operations, fueling concerns the cranes may pose a national-security risk. A2
- Russia attacked Ukrainian forces at points along the 600-mile front line as it seeks to capitalize on its recent capture of the eastern city of Avdiivka. A16
- ◆ Americans support both tougher border security and a pathway to citizenship for longtime immigrants living in the country illegally, a new Wall Street Journal poll found. A4
- ◆ More children visited emergency rooms after ingesting melatonin in unsupervised settings, with the CDC calculating that at least half the admissions involved flavored products. A3
- ◆ The centrist group No Labels is expected to proceed with plans to pick an independent "unity" ticket for the presidential election. A6

Arts in Review. A10-11 Business & Finance B2,9 Business News..... B3

Markets Digest.... B6 Sports.... Technology...... Heard on Street.. B12 U.S. News...... A2-4,6 ... M1-14 World News.. A7-8,16





President Biden gave his State of the Union address in front of Vice President Kamala Harris and House Speaker Mike Johnson.

## Biden Paints Stark Differences With GOP in State of the Union

By Ken Thomas AND TARINI PARTI

WASHINGTON—Confronting congressional Republicans, President Biden on Thursday sought to convince Americans that his policies have bolstered the economy and warned their freedoms are at risk in a feisty election year State of the Union address that repeatedly drew contrasts with former President Donald Trump.

Biden's speech before a joint session of Congress focused heavily on his case for a second term. It came two days after Trump cemented his po-

sition as the presumptive Republican nominee with victories in nearly all of the Super Tuesday states, setting the stage for an unusual rematch between two candidates who have both sat behind the Resolute Desk.

Biden, a Democrat, said his lifetime "has taught me to embrace freedom and democracy. A future based on the core values that have defined America: honesty, decency, dignity, equality." He added, in a veiled reference to Trump: "Now some other people my age see a different story: an American story of resentment,

revenge, and retribution. That's not me."

Biden never uttered Trump's name but referred to his "predecessor" more than a dozen times, repeatedly comparing his record with Trump's. He appeared to relish a give-and-take with congressional Republicans who largely oppose his agenda. At one point, he referred to the bipartisan border agreement in the Senate that would have allowed the government to expel migrants if crossings surpassed a daily threshold of 4,000, prompting jeers from Republicans.

"Oh, you don't like that bill, huh?" he asked. Trump opposed the plan and urged congressional Republicans to reject it. "I'll be darned," he said, adding later he is ready to fix the border if Republicans pass

Please turn to page A4

- **♦** President seeks corporate
- Republican response....
- border, poll finds..... A4 ♦ Biden to boost aid to Gaza

the Senate agreement. Biden also went off-script

- tax increases.....
- Britt criticizes Biden in
- ◆ Americans back deal on
- with offshore pier.....

### U.S. Seeks To Collect Billions In Covid Loans

SBA began referring about one million delinguencies to the Treasury Department

By Ruth Simon

The federal government began taking steps this week toward collecting as much as \$20 billion in delinquent loans it made to small businesses and nonprofits during the Covid-19 pandemic.

The Small Business Administration has started referring about one million Covid disaster loans with balances of \$100,000 or less to the Treasury Department for collection. Another 10,000 delinquent Covid loans involving larger sums have already been sent to the Treasury.

The referrals highlight the continued challenges for the Covid loan program, which provided financing to nearly four million small businesses and nonprofits. The SBA said it has written off about 20% of its \$390 billion Covid disaster loan portfolio, an accounting figure that includes Treasury referrals and other circumstances such as bankruptcy, fraud or the death of the borrower.

Borrowers in default whose loans haven't been sent to the Treasury Department can avoid the collection process by immediately requesting hardship assistance, according to the SBA. The SBA said the write-off rate for the portfolio is in line with projections. Some of the troubled loans

went to borrowers who never intended to repay the debts. More than \$136 billion of Covid disaster loans, or about one-third of the total, showed signs of potential fraud, according to the SBA's Office of Inspector General. The SBA said it believes the amount of Please turn to page A2

### Apple Confronts Headwinds From EU's **Tech Law**

By Sam Schechner AND KIM MACKRAEL

In the battle for smartphone dominance, Google stands soon to gain an advantage over Apple from an unlikely source: a new European law.

Starting this week, the world's largest technology companies have to comply with the European Union's Digital Markets Act, a sweeping new law aimed at boosting competition from smaller companies in the realms of digital advertising, online search and app ecosystems.

In the near term, one of its biggest impacts could be in the rivalry between Apple and Google.

The law is pushing Apple to open up certain parts of its app ecosystem in the EU, allowing third-party app stores for the first time and permitting alternative in-app payment services on iPhones across the bloc. Apple lobbied heavily against the moves, which reshape a part of its business that brings in billions of dollars in revenue.

Google lobbied in favor of mandating a more open approach to how apps are downloaded. The Alphabet unit already allows outside app stores on its Android mobile operating system and could seek to take advantage of other provi-Please turn to page A6

♦ Heard on the Street: EU law worries investors... B12

#### **TOMORROW**



WSJ. **MAGAZINE** 

**KEVIN HART** 

### China Intensifies Push To Delete American Tech

A directive known as Document 79 ramps up Beijing's effort to replace U.S. technology with homegrown alternatives

By Liza Lin

For American tech companies in China, the writing is on the wall. It's also on paper, in Document 79.

The 2022 Chinese government directive expands a drive that is muscling U.S. technology out of the country—an effort some refer to as "Delete A," for Delete America.

Document 79 was so sensitive that highranking officials and executives were only shown the order and weren't allowed to make copies, people familiar with the matter said. It requires state-owned companies in finance, energy and other sectors to replace foreign software in their IT systems by 2027.

American tech giants had long thrived in China as they hot-wired the country's meteoric industrial rise with computers, operating systems and software.

Chinese leaders want to sever that relationship, driven by a push for self-sufficiency and concerns over the country's long-term

The first targets were hardware makers. Dell, International Business Machines and Cisco Systems have gradually seen much of their equipment replaced by products from Please turn to page A9

◆ Probe feeds worries on Chinese cranes...A2 ◆ Foreign minister throws barbs at U.S. ...A16

#### Step Aside, Pickleball, Cricket Is America's New Local Battlefront

Cities weigh stadiums for unfamiliar sport, sparking confusion: 'Like in England? Why?'

Sticky

wicket

By Scott Calvert

Tara McDade is a big sports fan, but like many Americans, she doesn't know much about the game of cricket. 'You swing at a ball, I believe," says the

Fairfax, Va., resident. What she does know is she has real concerns about a proposed venue for the sport that could rise close to her Northern Virginia home. She and her neigh-

bors have organized to press nearby George Mason University and the Washing-

ton Freedom pro cricket team to halt plans for a new combined cricket-baseball stadium that could host thousands of

Local pickleball feuds have spawned namecalling and even lawsuits. But lately, cricket projects have roiled New York City, suburban Chicago, Sacramento and elsewhere. Worries include traffic, noise and balls flying about during the game—whatever

When Oswego, Ill., posted a Please turn to page A9



SHOWTIME: A standard poodle awaits an appearance in the Toy and Utility class on the first day of the four-day Crufts dog show in Birmingham, England. The show dates to 1891.

### **Putting Best Paw Forward**