

What's News

Business & Finance

The U.S. government reopened the pipeline for small-business loans and grants, triggering a chorus of fresh complaints about delays and glitches. **A1**

◆ **Detroit's car makers** are targeting May 18 to resume some production at their U.S. factories after shutting down plants in March amid the spread of the coronavirus. **A1**

◆ **The economic earthquake** unleashed by the pandemic is likely to trigger a wave of corporate distress and bankruptcy unseen in years. **B1**

◆ **Apple is pushing back** the production ramp-up of its flagship iPhones coming later this year by about a month due to fallout from the pandemic. **B1**

◆ **Air traffic may not** bounce back for two or three years, Boeing's CEO said, outlining the tough outlook for global aviation. **B1**

◆ **GE's turnaround efforts** have stalled and the firm's outlook is clouded after betting much of its future on the aviation industry. **B2**

◆ **U.S. crude futures** for delivery in June slid 25% to \$12.78 a barrel, dropping near a 21-year low. **B11**

◆ **Stocks rose**, with the Dow and S&P 500 both advancing 1.5% and the Nasdaq gaining 1.1%. **B11**

◆ **The U.S. pork industry** and regulators are discussing the prospect of euthanizing thousands of pigs, after coronavirus outbreaks closed major processing plants. **B1**

◆ **China's top business** and commerce regulator is investigating Luckin Coffee. **B5**

World-Wide

◆ **Texas, Ohio and other** states took steps to ease lockdown orders and reopen their battered economies, as reported U.S. coronavirus cases neared one million. **A4**

◆ **The Trump administration** is prepared to send all 50 states enough tests to screen at least 2% of residents for the coronavirus, a senior official said. **A4**

◆ **The president said** he was skeptical of providing funding for states in the next round of coronavirus relief. **A4**

◆ **A dozen of America's** top scientists and a collection of billionaires and industry titans have teamed up to mount a Manhattan Project for Covid-19. **A1**

◆ **The Supreme Court** ruled that the government is obliged to pay billions to health insurers that sold consumer policies on exchanges created by the ACA. **A2**

◆ **The administration is** tightening export-control curbs to prevent U.S. companies from sending products abroad that could bolster China's military. **A3**

◆ **China adopted** tough new cybersecurity rules for buyers of technology gear, which could place foreign tech products at a disadvantage in the Chinese market. **B4**

◆ **North Korea's Kim** remained absent amid continuing speculation that he may be incapacitated or dead. Seoul officials reassured that they believe he is alive. **A16**

◆ **Harvard University** said it is leaving the door open for a fall semester without students on campus. **A3**

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Vending Machines Get a New Line of Business in Berlin



IN SERVICE: Face masks were for sale in a subway station vending machine, with the sign 'Masks Here,' in Berlin on Monday. Because of the coronavirus pandemic, all public-transport passengers in the city must wear facial protection.

U.S. Car Makers Pencil In May 18 As Manufacturing Restart Date

BY MIKE COLIAS AND BEN FOLDY

Detroit's car companies are targeting May 18 to resume some production at their U.S. factories after the companies shut down their plants in March amid the spread of the coronavirus, according to people familiar with the plans.

Executives from General Motors Co., Ford Motor Co. and Fiat Chrysler Automobiles NV in recent days tentatively settled on the timeline after talks with United Auto Work-

ers leaders and Michigan Gov. Gretchen Whitmer's office, the people said.

The UAW last week expressed concern that reopening factories early next month—as earlier target dates had called for—wouldn't provide enough time to develop safety protocols to protect workers from the risk of infection.

The companies continue to work with the union on drawing up safety protocols for reducing exposure risk for workers and have made progress in

recent days, although they haven't completed those terms, the people said. A UAW spokesman declined to comment.

A Ford spokeswoman said the company hasn't decided when it will restart North American factories. "We are continuing to assess public health conditions, government guidelines and supplier readiness to determine when the time is right to resume production," she said.

Last week, Ms. Whitmer ex-

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THE CORONAVIRUS PANDEMIC

States push to expand workers' compensation, **A3**

Doctors say children less vulnerable to virus, **A7**

Wary Europe to keep extra ICUs open, **A9**

U.K. Leader Back at Work



Prime Minister Boris Johnson, who recovered from Covid-19, said a lockdown couldn't yet be lifted. **A16**

Fed Breaks Its Taboos To Prop Up Economy

BY NICK TIMIRAO AND JON HILSENATH

The Federal Reserve is redefining central banking.

By lending widely to businesses, states and cities in its effort to insulate the U.S. economy from the coronavirus pandemic, it is breaking century-old taboos about who gets money from the central bank in a crisis, on what terms, and what risks it will take about getting that money back.

And with large-scale purchases of U.S. Treasury securities, the Federal Reserve is stretching the boundaries for what a central bank will do to finance soaring federal debt—actions that move it deeper into political decisions it usually tries to avoid.

Fed leaders don't like doing any of this. They believe they have no better alternative.

"None of us has the luxury of choosing our challenges;

Scientists, Billionaires Mount Manhattan Project for Covid-19

Secret group culls promising research, passes it on to White House

BY ROB COPELAND

A dozen of America's top scientists and a collection of billionaires and industry titans say they have the answer to the coronavirus pandemic, and they found a backdoor to deliver their plan to the White House.

The eclectic group is led by a 33-year-old physician-turned-venture capitalist, Tom Cahill, who lives far from the public eye in a one-bedroom rental near Boston's Fenway Park. He owns one suit, but he has enough lofty connections to influence government decisions in the war against Covid-19.

These scientists and their backers describe their work as a lockdown-era Manhattan Project, a nod to the World War II group of scientists who helped develop the atomic

bomb. This time around, the scientists are marshaling brains and money to distill unorthodox ideas from around the globe.

They call themselves Scientists to Stop Covid-19, and they include chemical biologists, an immunobiologist, a neurobiologist, a chronobiologist, an oncologist, a gastroenterologist, an epidemiologist and a nuclear scientist. Of the scientists at the center of the project, biologist Michael Rosbash, a 2017 Nobel Prize winner, said, "There's no question that I'm the least qualified."

This group, whose work hasn't been previously reported, has acted as the go-between for pharmaceutical companies looking for a reputable link to Trump administration decision makers. They are working remotely as

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'Welcome To Your Flight, Nathan'

* * *
Decline in travel means flying gets personal

BY TE-PING CHEN

Maybe everyone was running late, Juan Grimaldo thought.

It was earlier this month at the Phoenix airport, and Mr. Grimaldo, 22, had just arrived at his gate. He had finished a stint working on a construction site and bought a cheap American Airlines ticket to El Paso, Texas. He knew the coronavirus pandemic would keep most people at home, but there wasn't another passenger in sight.

As he approached, the gate attendant greeted him by name. That was odd, he thought. He boarded, be-

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Delays, Glitches Mar Loan Relaunch

BY YUKA HAYASHI

WASHINGTON—The U.S. government reopened the pipeline for small-business loans and grants, triggering a fresh chorus of complaints from lenders and borrowers about delays and glitches plaguing the approval process.

Demand overwhelmed the Small Business Administration's electronic loan portal shortly after it opened Monday morning, according to banking-industry groups that said the process was also stymied by last-minute changes in guidance on how to submit applications.

"The SBA's systems were not designed to and are not capable of handling the volume of loans banks processed over the last several weeks for small businesses," said Richard Hunt, chief executive of the Consumer Bankers Association, which represents national and regional banks.

Mr. Hunt said the problems included extended periods when loans couldn't be processed, as well as system instability.

At Resource Bank, an Illinois community lender located

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Positive Tests Curb Plasma Donations

BY AMY DOCKSER MARCUS

Close to four weeks after recovering from a Covid-19 infection, Jennie Novakovic went to her local hospital hoping to donate blood plasma to help severely ill patients.

Instead, she learned she wasn't eligible to donate. She tested positive again for the disease.

"I assumed I was fine," said Ms. Novakovic, who got the Covid-19 swab test in the screening before plasma donation. "It hit me all over again."

Programs are ramping up all over the country to collect convalescent plasma from recovered Covid-19 patients. Researchers are hoping the antibody-rich plasma can help neutralize the coronavirus when transfused into patients who are severely ill.

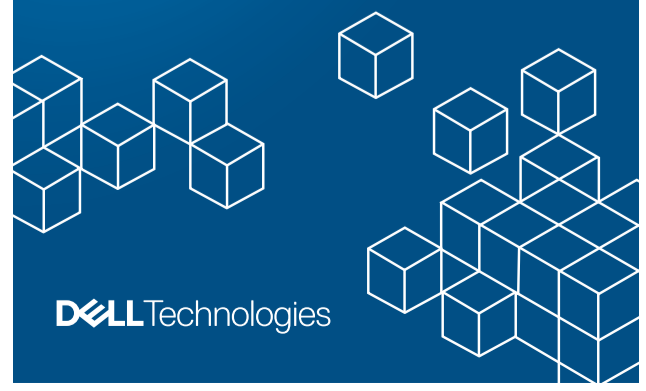
But some people who want to donate find out they can't because they are still testing Covid-positive. They are symptom-free, have come out of self-quarantine or isolation and more or less resumed

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U.S. NEWS

U.S. Must Pay Health Insurers Under the ACA

By BRENT KENDALL

WASHINGTON—The Supreme Court ruled that the federal government is obligated to pay billions of dollars to health insurers that sold consumer policies on exchanges created by the Affordable Care Act, the Obama-era health-care overhaul law.

The court, in an 8-1 opinion by Justice Sonia Sotomayor, said Monday that lawmakers had created rare obligations for the government under an early ACA program that sought to mitigate financial risks for insurers and encourage them to sell affordable policies on the exchanges.

Congress couldn't shirk that commitment after the fact in spending legislation, and insurers have a valid basis for bringing legal claims, Justice Sotomayor wrote in a 31-page opinion.

"These holdings reflect a principle as old as the nation itself: The government should honor its obligations," she said.

The decision clears insurers to seek roughly \$12 billion under the program. Early on, Obama administration officials believed the now-expired program could remain budget-neutral by balancing insurance

company profits and losses during the first few years of the exchanges, from 2014 to 2016. But those hopes missed the mark, especially after changes in implementing regulations initially altered the pool of consumers seeking insurance coverage.

Fewer healthy people participated in the exchanges than anticipated, leading to larger financial losses than many insurers expected. Funding for the ACA "risk corridors" program was supposed to come at least partially through funds collected from insurers that did well on the exchanges. Those collections, however, were far short of what was needed to reimburse insurers that fared poorly, and the industry argued the government was legally obligated to cover the difference.

After the ACA was enacted, Congress, spurred by critics of the law like Sen. Marco Rubio (R., Fla.), included provisions in broader spending legislation that effectively prohibited the government from making payments under the program.

Justice Sotomayor's opinion for the court said that nothing in the ACA's text required the program to be budget-neutral. The court also said the health law didn't dictate that pay-

Court Sidesteps Decision on Guns

WASHINGTON—The Supreme Court dismissed a challenge to a New York City gun restriction, finding no dispute to resolve because lawmakers had repealed the rule on taking firearms beyond the five boroughs.

But the court's pause may be short-lived. Three conservative justices dissented from the decision, while a fourth signaled he was ready to expand access to firearms in future cases.

Monday's case involved premises licenses, which allow possession of a handgun at the registered address but generally don't permit the weapon to be carried elsewhere. Individuals with premises licenses could go to target

ments to unprofitable insurers depended on how much the government collected from insurers who fared better.

Insurers that brought the case before the Supreme Court included Blue Cross and Blue Shield of North Carolina, Moda Health Plan Inc. and Land of Lincoln Mutual Health Insurance Co.

ranges under the now-rescinded regulation, but only those within city limits. In 2013, New York's affiliate of the National Rifle Association and gun owners filed suit challenging the regulation, contending it violated Second Amendment rights the Supreme Court expanded in a 2008 decision, *District of Columbia v. Heller*.

Although a 2010 decision extended the *Heller* decision beyond the District of Columbia to the 50 states, since then the Supreme Court has turned down subsequent petitions seeking to further extend gun rights. The court's most conservative justices have voiced increasing impatience with the majority's hesitancy. In a 31-page dissent Monday, Justice Samuel Alito made clear his frustration.

"The City fought petitioners tooth and nail in the District

Court and the Court of Appeals, insisting that its old ordinance served important public safety purposes," Justice Alito wrote, joined in most or whole part by Justices Clarence Thomas and Neil Gorsuch. "But once we granted review, the City essentially attempted to impose a unilateral settlement that deprived petitioners of attorney's fees. And those fees would likely be substantial," he wrote.

The case was far from moot, he argued, because of ambiguity over the effect of the new rules and the possibility that the city owed the gun owners damages.

Justice Brett Kavanaugh agreed with the majority that the New York case was moot. But he stressed his agreement with Justice Alito's broader view of gun rights.

—Jess Bravin

"The federal government made a clear commitment in the interest of building stable markets and making coverage more affordable for individuals and small employers," said Matt Eyles, president and CEO of America's Health Insurance Plans, a trade group representing insurers.

The Alliance of Community

Health Plans, which represents nonprofit health plans, said the decision "will help inject much-needed stability in the market, at an especially uncertain time."

Some nonprofit insurance cooperatives folded when they didn't receive the risk-corridor payments they were expecting, including Land of Lincoln.

"Today the court has made it possible to trust in government promises, even if they are broken in the midst of discord and dysfunction," said Mark Rust, a lawyer who had advised the firm.

Wells Fargo said in an analysis note that Humana Inc. and Centene Corp. could see some of the biggest benefits of the Supreme Court's ruling, with Humana alone originally expecting more than \$600 million under the risk-corridors program.

"Humana's goal remains to invest these dollars in enhanced services to members and the communities it serves," the company said.

The Trump administration has argued against the ACA in various court proceedings even as it continues to enforce the law for now.

The Justice Department, which defended the administration in court, is disappointed in the ruling, a spokeswoman said.

The lone dissenter to Monday's ruling was Justice Samuel Alito, who said it was unclear whether federal law provided the insurers a legal right to go to court and seek damages from the federal government.

U.S. WATCH

2020 CAMPAIGN

Pelosi Endorses Biden for President

Former Vice President Joe Biden received endorsements from House Speaker Nancy Pelosi and a prominent lawmaker from the Democratic Party's progressive wing.

In a video posted to her political Twitter account, Mrs. Pelosi (D., Calif.) praised the presumptive Democratic presidential nominee for his integrity and work helping the nation recover from the 2008 financial meltdown.

Also on Monday, Rep. Pramila Jayapal (D., Wash.), a co-chair of the Congressional Progressive Caucus and a surrogate for Sen. Bernie Sanders during his campaign for the Democratic nomination, said that she was endorsing Mr. Biden in the general election.

Some prominent Democratic lawmakers have held off on endorsing Mr. Biden.

Rep. Alexandria Ocasio-Cortez (D., N.Y.), for example, has said she is looking for more-progressive policies from Mr. Biden.

—Natalie Andrews

VIRGINIA

Judge Says Governor Can't Shut Gun Range

A gun range must be allowed to open to customers despite a statewide executive order requiring nonessential businesses to close to slow the coronavirus, a judge ruled Monday.

The order issued by Lynchburg Circuit Judge F. Patrick Yeatts says federal and state protections on the right to bear arms outweigh any emergency authority held by Democratic Gov. Ralph Northam to order the gun range closed.

The SafeSide gun range in Lynchburg filed the lawsuit challenging the governor's executive order, along with Gun Owners of America, the Virginia Citizens Defense League and the Association of Virginia Gun Ranges.

Attorney General Mark Herring's office had argued the governor's emergency powers to protect public safety in a pandemic should be upheld. Mr. Herring, a Democrat, said his office is now analyzing its legal options. Judge Yeatts said state law limits the governor's power to regulate guns even in an emergency.

—Associated Press

WISCONSIN

Five Shot Dead, Suspect in Custody

Five people were found shot to death Monday inside a Milwaukee home, and the man who dialed 911 to report the killings has been taken into custody, the city's police chief said.

The police department received a call around 10:30 a.m. from a man who said his family was dead. Chief Alfonso Morales said. When officers arrived at the house they found five victims ranging in age from 14 to 41, the chief said. He said investigators recovered a weapon and believe the shooter acted alone.

—Associated Press

Planting Season Pinched in Pennsylvania



TOUGH GOING: Cleveland Ott & Son supplies garden centers and farm stands in Graterford, Pa. Many businesses in the sector have been hit by a state shutdown.

Glitches Mar Loan Relaunch

Continued from Page One outside of Chicago, bankers successfully submitted half a dozen loans soon after the opening—but said the SBA's portal became unresponsive within an hour and remained down the rest of the day.

"This is very frustrating," said Kevin McArtor, the bank's director of business services. "I have a sense that money is going to go quickly, and here we are, we are locked out somehow while others drain the bucket."

The Paycheck Protection Program got off to a bumpy start on April 3 as businesses rushed to get \$350 billion of forgivable loans to help them survive fallout from the coronavirus pandemic. The loans are made by banks and other lenders and can be forgiven if companies use the money primarily to retain staff and for approved

expenses such as rent.

After funds were exhausted on April 16, Congress appropriated last week an additional \$310 billion for loans, which many have predicted would be insufficient to meet demand.

Seeking a smoother process, the SBA unveiled on Sunday steps aimed at preventing system crashes and smoothing out distribution of funds among participating banks.

As part of that effort, the agency asked banks to submit applications in batches of 15,000 loans when its ETran loan portal reopened Monday morning. But by midday, the batch size was cut to 5,000, SBA spokesman Jim Billimoria said, a change made to address complaints by smaller banks that they were cut out of the process by the minimum.

The SBA said it had processed more than 100,000 PPP loans through more than 4,000 lenders by late Monday afternoon.

"Unprecedented demand is slowing E-Tran response times," SBA Administrator Jovita Carranza wrote in a tweet, adding that twice as many users were accessing the loan-processing system Monday af-

ternoon, compared with any day during the initial round of the program. "The SBA is actively working to ensure system security and integrity when loan processing continues."

Ms. Carranza defended her agency's performance overall in an opinion article last week, writing that in the first phase of the program it effectively processed 14 years of loans in 14 days.

"The PPP is working, even if it hasn't been glitch-free," Ms.

The SBA said it had processed more than 100,000 PPP loans on Monday.

Carranza wrote in USA Today on April 20. "The SBA has been working day and night, seven days a week, to add capacity and to identify and correct technical challenges."

The SBA has said nearly 5,000 lenders participated in the program during the first round, and around 60% of the loans were approved by banks

with \$10 billion in assets or less.

An analysis conducted by economists from the University of Chicago and the Massachusetts Institute of Technology showed that among the top 20 U.S. banks by asset, large regional banks such as Truist Financial Corp., PNC Financial Services Group and KeyBank played active roles during the first round of the paycheck program.

The top four banks—JPMorgan Chase & Co., Bank of America Corp., Wells Fargo & Co. and Citigroup Inc.—accounted for smaller shares of the program compared with their normal-time presence in small business lending.

For example, Truist Bank was responsible for 3.1% of the total loan volume for the first round, compared with its 2% share during normal times. JPMorgan had a 3.8% share during the first round, well below its 6.5% share at normal times, while Wells Fargo, among the largest small-business lenders normally with a 6.5% share in the market, provided just 0.04% of the program loans, according to the report.

On Sunday, the SBA clarified eligibility rules amid a

wave of outrage over rules that enabled public companies such as Shake Shack Inc. and Ruth's Hospitality Group Inc., owner of the Ruth's Chris Steak House chain, to qualify for loans.

The SBA said in its new 12-page guidance issued on Sunday that public companies with "substantial market value and access to capital markets" are unlikely to qualify for loans under the program, expanding on guidance issued by the Treasury Department last week. It added that any such borrower that applied previously can return the money by May 7 without being penalized.

More than 235 public companies have disclosed receiving more than \$880 million in paycheck loans, according to a Wall Street Journal analysis of securities filings as of Monday afternoon. And 21 companies have disclosed plans to return \$275 million, the Journal found.

Ruth's and Shake Shack are among those returning the money.

—Anthony DeBarros and Inti Pacheco contributed to this article.

CORRECTIONS & AMPLIFICATIONS

The Federal Reserve wants to make it easier for consumers to access cash in money-market accounts at banks during the pandemic. A U.S. Watch article Saturday about the Fed's move incorrectly referred to money-market funds.

Ben Horowitz, co-founder of the venture-capital firm Andreessen Horowitz, once wrote that the most difficult skill he had to learn as a chief executive "was the ability to

manage my own psychology." An Exchange essay Saturday about leadership incorrectly attributed that statement to Marc Andreessen. The essay also misspelled the last name of Starbucks Corp.'s former CEO Howard Schultz as Schulz.

The name of Alvarez & Marsal North America LLC was given incorrectly as Alvarez & Marshall in a list of bankruptcy advisers in a Busi-

ness & Finance article Monday about Diamond Offshore Drilling Inc. filing for bankruptcy protection.

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U.S. NEWS

Commerce Restricts Exports To China

By KATY STECH FERREK

WASHINGTON—The Trump administration is tightening the country's export-control restrictions to prevent U.S. companies from sending products abroad that could strengthen China's military.

The rules, announced by the Commerce Department on Monday, expand the list of U.S.-made products and technology that need to be reviewed by national security experts before shipments can be sent overseas. The restrictions also apply to U.S. shipments destined for Russia and Venezuela.

The rules give Commerce Department officials more power to stop U.S. products in semiconductor, aerospace and other industry sectors from being shipped abroad. The effort is meant to prevent China, Russia and Venezuela from getting their hands on advanced domestic technology for weaponry, military aircraft or surveillance technology.

"Certain entities in China, Russia, and Venezuela have sought to circumvent America's export controls, and undermine American interests in general, and so we will remain vigilant to ensure U.S. technology does not get into the wrong hands," Commerce Secretary Wilbur Ross said in a statement.

A representative at the Chinese Embassy in Washington didn't respond to a request for comment.

The tighter restrictions come after U.S. national security offi-

The rules also apply to U.S. shipments destined for Russia and Venezuela.

Officials have sounded the alarm about Beijing's efforts to blur the lines between the operations of private Chinese businesses and the country's growing military. U.S. officials have said Chinese leaders are increasingly pressuring private businesses to acquire foreign technology to help the People's Liberation Army get the expertise it needs to build a world-class military capable of challenging the U.S. in Asia and beyond.

The push, a concept called military-civilian fusion, includes pressure that Chinese leaders put on private companies to bid for defense contracts. In a 2018 speech, President Xi Jinping called military-civil fusion "a necessary choice for achieving the party's goal of a strong military for the new era."

It is too early to tell how severely the new rules will restrict the flow of U.S.-made products overseas, because that will hinge on whether Commerce officials green light transaction requests, said Kevin Wolf, a former Commerce Department official who now advises companies as a Washington export-control lawyer.

John Neuffer, president of the Semiconductor Industry Association trade group, on Monday urged U.S. officials to keep America's position as a leader in the global semiconductor industry in mind as they implement the new rules.

"While we understand military-civil fusion trends demand smart and targeted national security responses, we are concerned these broad rules will unnecessarily expand export controls for semiconductors and create further uncertainty for our industry during this time of unprecedented global economic turmoil," he said.

Under the rules, more exporters will need to apply for Commerce Department licenses before shipping products overseas.

Specifically, Commerce officials said they intend to broaden the definition of "military end use," which exporters use to determine whether they can send out a shipment without a government review. That expanded definition will include products that support or contribute to the operation, installation, maintenance, repair, overhaul, refurbishing, development or production of military items.

◆ Beijing sets new rules for buying equipment..... B4

States Push to Expand Benefits

Employees won't have to prove on-the-job infection to receive workers' compensation

By RUSSELL GOLD AND LESLIE SCISM

More states are changing or reconsidering rules to ensure that nurses, paramedics, firefighters and others battling the novel coronavirus have unimpeded access to workers' compensation benefits if they are infected.

Officials are trying to balance the needs of individuals and employers overwhelmed by the pandemic's economic fallout. Expanding such access could add tens of billions of dollars in added costs for insurers, which would seek to pass them on to employers.

Manufacturing associations and other business trade groups have begun to fight the most sweeping expansions of the rules, arguing they will lead to higher insurance premiums and make it more difficult to restart the economy.

Several states with large outbreaks, including New York, New Jersey and Louisiana, haven't changed their rules: If workers can't prove they were infected on the job—possibly an uphill climb—their claims could be denied.

"I'm worried it is going to be hard to prove where you got it from," said Oren Barzilay, president of the union that represents New York City Fire Department paramedics and emergency medical technicians. "They're going to say, 'How do you know where you got exposed?'"

Last week, his union began filing Covid-19-related workers' claims. Mr. Barzilay said five union members who he believes were infected on the job have died since the pandemic began.

Workers' compensation coverage is mandatory for most businesses across the U.S. It pays for medical care and lost wages of people injured on the job, and funeral expenses to their dependents if they die. Insurers collect premiums from employers and pay claims out of this money.

Workers' comp is one of the biggest product lines for the insurance industry by premium volume, with employers paying \$48.3 billion to insurers in 2018, according to trade group Insurance Information Institute.

States that have adopted these so-called presumptive eligibility measures vary in



Fire Department of New York paramedics put on personal protective equipment as they respond to an emergency call in the Bronx.

Most workers' compensation claims stem from workplace injuries, but some involve illnesses acquired on the job. Generally, these are covered as long as it is specific to the job—such as certain respiratory illnesses for firefighters—and not a case of the flu acquired from a sick co-worker.

The rapid spread of the novel coronavirus—which causes the Covid-19 disease—among essential workers presents a problem for the century-old workers' compensation system.

"The insurance industry is facing an unforeseen scenario in which multitudes of claims could be arbitrated through a workers' compensation hearing, where coverage will be determined on a case-by-case basis," said Drew Scott of Scott Insurance Agency in Stratford, Conn., which sells the coverage to businesses.

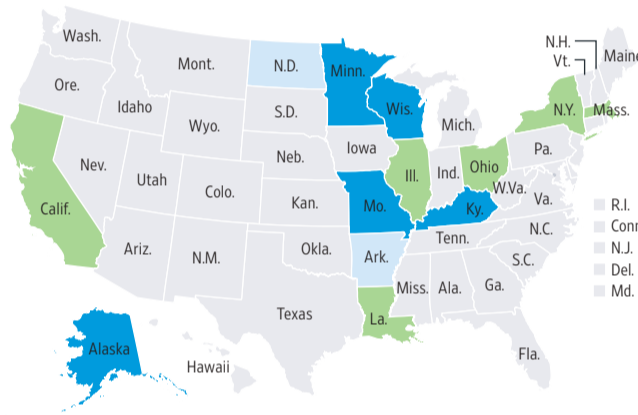
About a half-dozen states have changed their rules since late March so that front-line workers are presumed to be eligible for workers' comp unless their insurance carrier can prove they were infected outside of work. Normally, workers have the burden to prove they were hurt or infected on the job.

States that have adopted these so-called presumptive eligibility measures vary in

Covering Front-Line Workers

States are changing or reconsidering rules and laws governing access to workers' compensation coverage for health-care workers, firefighters and other essential workers who are infected with the coronavirus.

- Infected workers are presumptively eligible for workers' compensation
- Modified rules making it easier for workers to get benefits during pandemic
- Pending legislation would expand access to workers' compensation



Note: Illinois enacted, then repealed, presumptive eligibility rules. Lawmakers are expected to take up the issue again.

Source: National Council on Compensation Insurance

who is covered. Most cover law-enforcement and health-care workers providing primary care. Illinois went further, covering corrections officers, grocery-store clerks and others deemed essential workers.

Trade groups representing Illinois manufacturers and retailers filed suit last week to roll back their state's rule

change. The complaint argued that under the new rules, employers faced "a daunting Sophie's Choice: acquiesce to paying the employee's medical bills at the outset, or face harsh penalties for attempting to overcome the virtually irrefutable rebuttable presumption regarding Covid-19 claims."

A state judge on Friday is-

sued a temporary stay requested by the business groups, and the Illinois Workers' Compensation Commission repealed the rules in an emergency meeting on Monday, citing the cost and length of the legal challenge. A spokeswoman for Gov. J.B. Pritzker said he was committed to changing the rules to provide help to essential workers.

California's legislature is considering passing a bill similar to that of Illinois. The California organization that sets rates for workers' compensation insurance estimated the legislation could raise costs annually by \$11.2 billion, about 61% of the overall cost of that state's insurance. It estimated there could be 472,900 claims, including 3,300 claims of death benefits.

"It's early and this is still developing," Travelers Cos. Chief Executive Alan Schnitzer told analysts in the insurer's April 21 earnings call about the impact of the state actions. "In terms of exactly how it's going to play out, I think we'll have to see."

Workers' comp profit margins could be affected in the near-term, he said. Eventually, the higher costs would be passed on to employers, "increasing the cost of workers' comp insurance going forward."

Tenants Press for Rent Strike in May

By WILL PARKER AND NICOLE FRIEDMAN

Ysvelia Silva planned to spend this spring training for the New York City Marathon. Instead, she is calling neighbors in her apartment complex and urging them not to pay rent next month.

She and other tenant organizers say the majority of residents at a group of 17 buildings in Queens, N.Y., have committed to a rent strike effective May 1. The neighborhood's five-story brick buildings of mostly affordable housing belong to a larger complex called the Cosmopolitan Houses.

"Life has changed completely here," said Ms. Silva, 66 years old, who closed her small leather-importing business due to coronavirus. Most of her neighbors, she said, are out of work or running out of money. Some are also infected with the virus. "No one goes through the trouble to do this because they want to. We're not paying rent out of necessity."

Where most rent strikes arise from disputes between tenants and building owners, organizers say this one is meant to prod lawmakers into offering more rental assistance during the crisis.

Ms. Silva's part of Queens has been hit hard by coronavirus. The nearest hospital, Elmhurst Hospital Center, is among the most overburdened in the city and has been called "the epicenter of the epicenter" of the pandemic by the local city councilman.

Many of the residents can't afford rent next month, organizers say. Others are able to pay but say they won't, to help bring more attention to the cause.

The Queens strike is part of a nationwide effort to get ten-



'Life has changed completely here,' says Ysvelia Silva of Queens, N.Y.

ants to stop paying rent on May 1 as they contend with widespread joblessness and economic hardship. Groups in California, Chicago, Philadelphia and elsewhere also are organizing strikes beginning that day.

About one-third of U.S. households are renters, and nearly half of them were paying more than 30% of their incomes on rent and utilities before the coronavirus pandemic struck, according to the Harvard Joint Center for Housing Studies. While the federal government quickly offered for-

bearance options to many homeowners last month, assistance for most renters has been more varied by city and state.

Landlords say rent payments are essential for them to pay their mortgages, taxes and building-maintenance costs.

Almost 90% of apartment households paid all or at least part of their April rent by the 19th, a lower rate than normal, according to the National Multifamily Housing Council.

Cosmopolitan Houses' general manager, Steve Stadmeier, said most of the com-

plex's tenants paid their rent in April and that staff has been directing tenants to programs that can help them financially. He declined to comment on whether the landlord would negotiate May rent.

"We are grateful that the majority of residents have continued to pay their rent because it allows us to keep our buildings clean and residents and staff safe during these challenging times for our community," he said in a statement. "Building porters and handymen are working every day in the epicenter of this pandemic. It means a lot to us that we have been able to keep them working."

In New York, rent strikers want state lawmakers to impose a "universal cancellation of any rent, mortgage, or utility payments owed or accumulated during the length of this crisis," according to a document called the Rent Strike Toolkit that is being circulated by tenant groups. They are asking people who can afford their rent to join the strike, in the hopes of sending a more powerful message to elected officials.

Some strikers say that landlords will need help, too, and that government action could be coupled with financial assistance to pay for building staff and maintenance.

Carol Moss, who lives in the same building as Ms. Silva, said she hadn't heard about the strike.

"I know that feeling. I worked for 40 years for my last job and I know what it's like to not be able to do something, but you still make do," said Ms. Moss, who has lived in her apartment since 1978 and is retired. She will pay her May rent, she said. "I have to have somewhere to go."

Harvard's Fall Semester Might Take Place Online

By DOUGLAS BELKIN

Harvard University said that due to the uncertainty caused by the coronavirus pandemic, it is leaving the door open for a fall semester without students on campus.

"We cannot be certain that it will be safe to resume all usual activities" by autumn, university provost Alan Garber wrote in a note to the school Monday. "Consequently, we will need to prepare for a scenario in which much or all learning will be conducted remotely."

The coronavirus has killed more than 50,000 people in the U.S., and Massachusetts, home to Harvard, has endured the third-largest number of fatalities. Colleges and universities across the country sent students home in March, moved classes online and canceled in-person summer programs. Now, they are scrambling to figure out how to proceed when the new academic year begins.

Harvard has significant influence across higher education, and its announcement could impact how other institutions proceed. Purdue and Brown universities are among schools planning to resume in-person classes in the fall, as long as conditions allow. Others such as George Washington and Stanford said they wouldn't make a decision until later this year. Some universities said they are considering reopening in January 2021.

A Harvard spokesman declined to comment on whether tuition and fees would be adjusted, if classes are held remotely.

THE CORONAVIRUS PANDEMIC

Crisis Strengthens Nationalist Currents



CAPITAL JOURNAL
By Gerald F. Seib

Here are some side effects of the coronavirus:

Immigration has been restricted. Lawmakers from both parties resolve that the U.S. will never again be so dependent on foreign suppliers for critical goods.



Washington has pulled back from the leading global health organization. Longstanding connections to both China and Saudi Arabia are being questioned.

In short, the nationalist sentiment running through the American body politic has picked up strength and speed as a result of the virus crisis. It may already have been, as onetime Trump political adviser Steve Bannon asserted in an interview, that “the age of populism and nationalism is upon us,” but the pandemic is fueling the trend.

Some public figures, of course, have urged Americans to draw the opposite conclusion. The rapid spread of a vi-

rus shows how interconnected the world really and inevitably is, this line of argument goes, meaning the U.S. has no choice but to unite with other nations to handle such transnational problems.

Early in the coronavirus crisis, for example, Kenneth Duberstein, who was White House chief of staff for President Reagan, asserted that “the American people are realizing that this is a global village.” He added: “America is not an island. If Americans understand this as a result of the crisis, it will force our system to develop reality.” Others have made the same case.

Yet for some Americans, the virus will enhance the belief that globalization has gone too far, leaving the U.S. needlessly at risk in a dangerous world and too dependent on others. For them, the impulse to wall off America has grown, not shrunk.

Such sentiments were well established by the presidential campaign and election of President Trump, who pushed for a rethinking of the basic tenets of globalization that had prevailed for a generation. A group of foreign-policy scholars put it in this way in an article in the new edition of *Foreign Affairs* magazine: “For decades, American foreign policy elites in both parties embraced liberal internationalism, the idea that Washington should sustain and expand a global order that promoted open markets, open politics, and multilateral institutions. But Trump has repeatedly attacked the key pillars of liberal internationalism....”



Migrants lined up at the Paso del Norte border bridge in Ciudad Juarez, Mexico, last week.

JOSE LUIS GONZALEZ/REUTERS

That presidential impulse has been on display in the coronavirus crisis. The two most obvious examples were the president’s decision to withhold green cards for immigrants for 60 days, and his decision to suspend American payments to the World Health Organization. Both steps have limited immediate impact, but

a powerful symbolic effect. Notably, Mr. Trump didn’t block new, legal immigrants by arguing that their arrival would be a threat to Americans’ health, but rather that they would pose a threat to their livelihood as they seek work in the rebound from the coronavirus slump. That bolsters an economic argument Mr. Trump had been making well before the pandemic.

His WHO suspension, meantime, plays into another coronavirus effect, an impulse to reduce links to China. Mr. Trump argued that the WHO had been complicit with

China in playing down the spread of the coronavirus at the outset, and later on in Beijing’s lack of transparency about its dangers.

That skepticism of China is compounded by a broad belief, soon to be explored further in congressional hearings, that the U.S. had grown too dependent on China for the manufacture of crucial drugs and medical supplies. Mr. Trump has openly argued, on this and other fronts, for a move toward a broad made-in-America movement in response.

The coronavirus economic shock could have one other impact on America’s global position: The giant budget deficits it is producing may well, over time, reduce taxpayers’ willingness to spend the dollars needed to maintain a robust security presence abroad. Mr. Trump already had been arguing the U.S. was spending too much money defending others. With less money available now, he has been doubling down on that argument.

Major Increase In Tests Promised

By MICHAEL C. BENDER AND BRIANNA ABBOTT

WASHINGTON—The Trump administration is prepared to send all 50 states enough tests to screen at least 2% of residents for the new coronavirus, a senior administration official said Monday, with the aim of rapidly expanding supplies in the coming weeks as the nation’s leaders look to reopen parts of the economy.

President Trump met with heads of major retailers, pharmacy chains and testing labs on Monday, including **Walmart Inc.** and **CVS Health Corp.**, and the White House released what it called a blueprint on its testing plans.

Adm. Brett Giroir, the administration official overseeing coronavirus testing efforts, said the federal government would be able to supply every state with the supplies and tests they need to “dramatically increase” the number of tests.

The lack of widely available coronavirus tests has been a chief complaint from business leaders who the Trump administration leaned on for economic advice. President Trump told reporters on March 6 that anyone who wanted a test could get a test, a promise that remains unfulfilled.

CVS said it would expand its coronavirus testing operations, offering self-swab tests at as many as 1,000 of its pharmacy parking lots and drive-thru windows by the end of May, with the goal of processing up to 1.5 million tests a month. Walgreen Boots Alliance Inc. also said it is ramping up testing capacity.

Experts would like four million or more people tested per week nationwide, in order to cast a wide net and cover a significant percentage of the population not already known to be sick, or even to have symptoms.

States including Georgia and New York have already tested more than 2% of their populations.

Officials Move to Ease Curbs in Some Areas

Texas, Ohio and other states took steps to ease lockdown orders and reopen their battered economies, as reported U.S. coronavirus cases neared one million.

Leaders in states hit harder by the pandemic, however,

By Jennifer Calfas, Elizabeth Findell and Newley Purnell

were moving more slowly and urging people to stay home as officials sought to expand testing capacity and create contact-tracing teams.

After weeks of closures and social-distancing orders in the U.S., states from Mississippi to Tennessee to Colorado began to permit some businesses to reopen Monday, welcoming customers back and letting some employees return to work. Over the weekend, some businesses had resumed in Georgia, Oklahoma, Alaska, Texas and South Carolina, with social-distancing measures in place.

Retail stores, restaurants, malls, movie theaters, museums and libraries in Texas will be allowed to open Friday at 25% capacity, Republican Gov. Greg Abbott said Monday. He will allow a stay-home order now in place to expire Thursday.

“The executive order has done its job,” he said. “Now it is time to start a new course.” Many are watching Texas’s phased reopening as a test. The country’s second-most-populous state has relatively low rates of Covid-19, but among the lowest testing rates, leading critics to say there is no way to know how prevalent the virus really is.

Public-health officials have cautioned that lifting restrictions hastily could lead to a surge in new cases. Health experts say states shouldn’t reopen unless they keep new daily infections below established thresholds, show capacity for expanded testing, and have public-health workers ready to track new infections.

Confirmed coronavirus cases world-wide Monday topped three million, with more than 211,000 deaths, according to data from Johns



Seats were marked off for social distancing at a Waffle House in Brookhaven, Ga., Monday, with the state lifting some restrictions.

JESSICA MCGOWAN/GETTY IMAGES

Coronavirus Daily Update

As of 9:31 p.m. EDT April 27

988,189

U.S. cases

3,040,709

World-wide cases

56,255

U.S. deaths

211,099

World-wide deaths

111,337

U.S. recoveries

893,872

World-wide recoveries

Source: Johns Hopkins University Center for Systems Science and Engineering

Hopkins University. The U.S., with more than 988,000 cases, accounted for about a third of global infections.

Infections continued to rise in Massachusetts with nearly 55,000 confirmed cases reported, the third-highest of any state, and nearly 3,000 deaths.

Gov. Charlie Baker urged residents to stay home and continue practicing social distancing.

Louisiana Gov. John Bel Edwards said Monday he will extend the state’s stay-at-home order by two weeks to May 15. While some Southern states have begun reopening, Louisi-

ana isn’t ready, he said.

In the worst-hit states of New York and New Jersey, governors are still reporting a sizable number of new infections and deaths, though they have pointed to signs of the virus slowing. New York Gov. Andrew Cuomo has outlined a phased reopening for the state, centered on Centers for Disease Control and Prevention guidelines that permit reopenings after a 14-day drop in the state’s hospitalization rate.

Mr. Cuomo, a Democrat, said Monday he would likely extend lockdown orders, set to expire May 15, in parts of the state most affected by the virus, including New York City.

In New Jersey, Democratic Gov. Phil Murphy outlined benchmarks for the state before it begins a phased reopening.

Trump Questions Bid to Provide Money to States

By NATALIE ANDREWS AND CATHERINE LUCEY

WASHINGTON—President Trump said he is skeptical of providing funding for states in the next round of coronavirus relief legislation, throwing into doubt the administration’s support for hundreds of billions of dollars sought by Democratic leaders and state governors of both parties.

“Why should the people and taxpayers of America be bailing out poorly run states (like Illinois, as example) and cities, in all cases Democrat run and managed when most of the other states aren’t looking for bailout help?” Mr. Trump tweeted Monday. “I am open to discussing anything, but just asking?”

In the run-up to the passage of the most recent stimulus bill

last week, Mr. Trump said he supported more state and local funding in the next round, and Democrats and the Trump administration said it would be a priority in the talks. But since then, Senate Majority Leader Mitch McConnell (R., Ky.) has termed the potential aid a “blue state bailout” for the troubled pension funds of large Democratic-controlled states.

“We do want to help [states] with expenses that are directly related to the coronavirus outbreak,” said Mr. McConnell in a Fox News Radio interview on Monday. “But we’re not interested in helping them fix age-old problems that they haven’t had the courage to fix in the past.”

Mr. McConnell also said health-care providers and businesses need protection from potential lawsuits related to the crisis, calling it his “red line for the next negotiation.”

New York’s Democratic Gov. Andrew Cuomo defended his state on Monday as the “number-one giver,” saying “nobody puts more money into the pot” than the state, referring to the amount states pay in taxes compared with how much funding they receive from the federal government.

Illinois Sen. Tammy Duckworth, a Democrat, called the president’s tweet “a ridiculous statement from someone who is supposed to be the President of the UNITED States of America,” in a tweet of her own. “We are in all in this together and it’s literally the Federal Government’s job to help every state weather a national crisis.”

Last month, Congress passed a \$2.2 trillion aid package with \$150 billion for state and local governments, but the money can be used only for coronavirus-related expenses. Another round of stimulus spending that Mr. Trump signed into law last week included more money for small businesses and hospitals, but no additional state and local funding.

Some governors raised the issue of direct aid for states during a conference call with the president Monday, according to a recording of the conversation listened to by The Wall Street Journal.

Oklahoma Gov. Kevin Stitt, a Republican, asked for more time before Congress decides on whether and how to allocate money to states in another round of stimulus legislation. The last bill “has not even really hit our state yet,” he said.

New Jersey Gov. Phil Mur-

phy, a Democrat, made a pitch for direct aid, saying the money would fund core emergency services and keep government workers from being laid off.

The National Governors Association has asked for an unrestricted \$500 billion for states, and some governors have said they may need to lay off first responders and teachers if Congress doesn’t help.

Illinois President Don Harmon asked Congress for more than \$40 billion, including \$10 billion to help its struggling pension program, according to his spokesman.

In an acknowledgment of the strains municipalities are facing, the Federal Reserve said on Monday it would expand a program it is establishing to provide financing to state and local governments squeezed by declining tax revenue.

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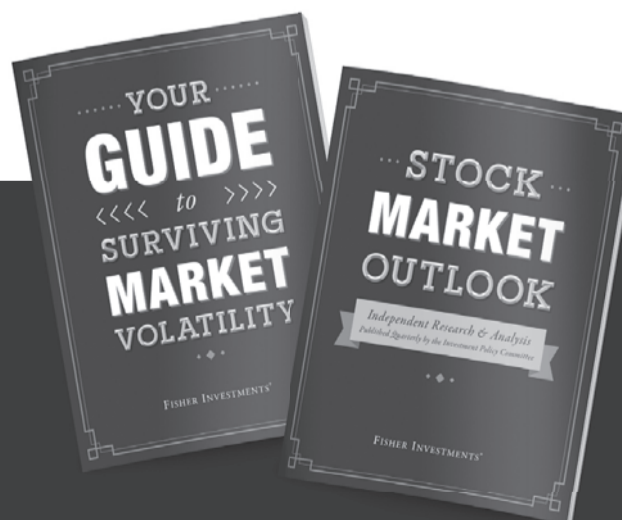
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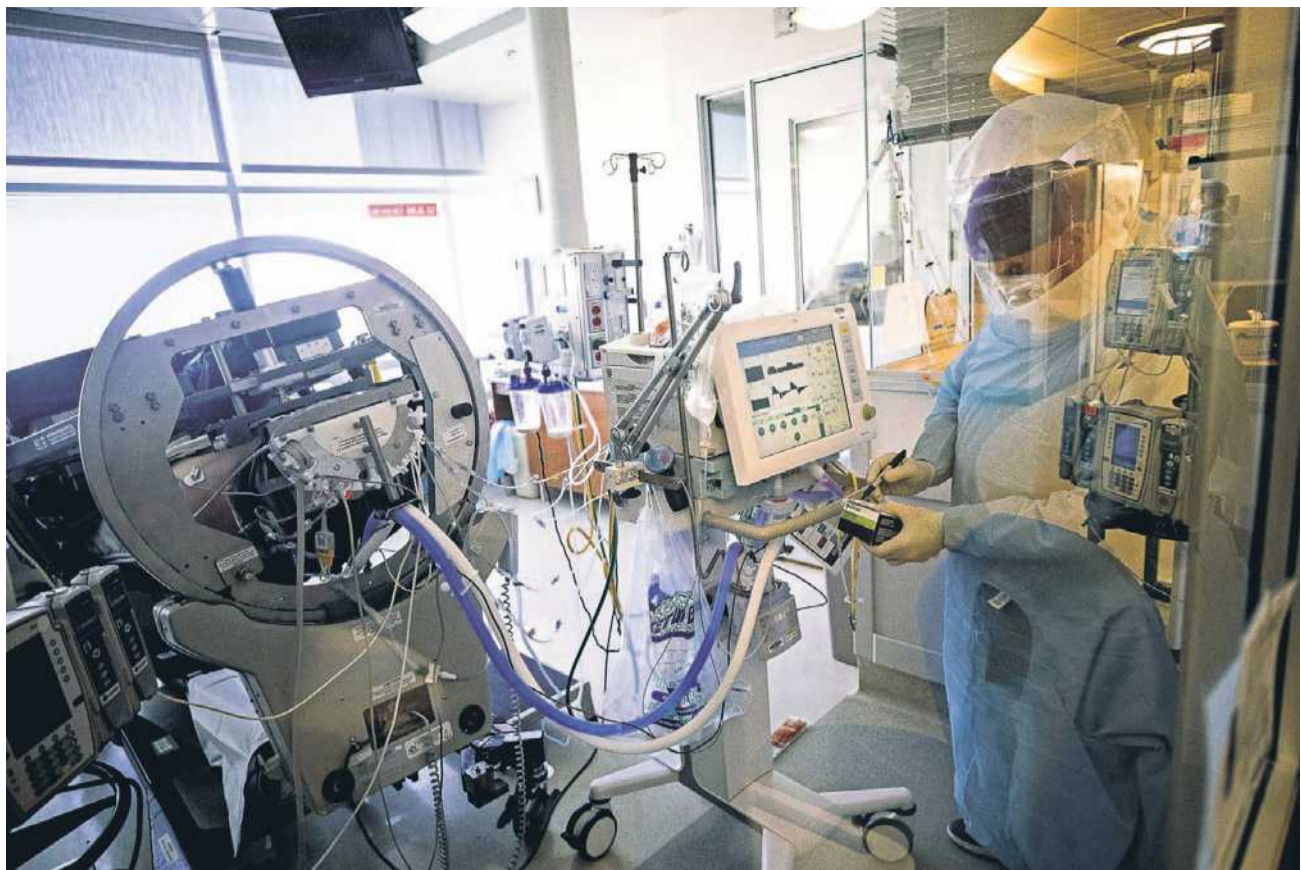
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THE CORONAVIRUS PANDEMIC



Jennie Novakovic, seen with her family, donated plasma for Covid-19 treatments. A nurse checks on a patient who received a transfusion.

Plasma Donations Are Slowed

Continued from Page One
their normal lives. Learning they remain Covid-positive is unsettling and confusing, both for the prospective donors and for the doctors and scientists trying to understand what it means and advise them on what to do.

Doctors in South Korea reported that some people who recovered from Covid-19 and tested negative for the infection became sick again. Researchers testing blood from Covid-19 patients found the immune system produces protective antibodies to the infection, but don't know how long they are protective.

The Food and Drug Administration guidelines for convalescent plasma donation state recovered patients must be symptom-free for 28 days before they can donate, or at least 14 days with a negative Covid-19 test. "The FDA is open to discussing alternative approaches to our guidance with

individual firms," a spokesman said. He said decisions are made on a case-by-case basis.

Data on the number of positive Covid-19 tests obtained during plasma-donation screening aren't widely available. At University Hospital in Madison, Wis., part of UW Health, 16% of potential donors swabbed between 14 and 28 days post-symptoms still tested positive, said William Hartman, an anesthesiologist and investigator on a national convalescent-plasma study there. The furthest-out positive test was 24 days after symptoms resolved, he said.

As the number of recovered Covid-19 patients seeking to donate plasma rises, the meaning of a positive test remains a source of debate and discussion. Some convalescent plasma programs, such as one run by Mount Sinai Hospital in New York, have stopped performing Covid-19 tests on prospective plasma donors. Mount Sinai performs antibody tests. Those who are eligible make plasma donations at New York Blood Center.

Judith Aberg, a professor of infectious diseases at Mount Sinai Health System, said "observational data"—that people who go weeks without symptoms aren't infecting others—led to the change. "I understand why

some people want to retest. It makes them feel more secure to have a negative swab," she said.

But current evidence indicates that positive results in recovered patients are likely because of "fragments of dead virus" that won't cause infections but are picked up by the test, Dr. Aberg said.

A New York Blood Center spokesperson said, "We are working closely with the FDA to continually refine our collections process."

Ania Wajnberg, medical director for the Serum Antibody Donor Identification program at Mount Sinai, said more studies will eventually have to be done to know for sure. She had been telling prospective donors who got positive swab tests, "We really don't think you are contagious anymore to the best of our knowledge, but it is a very

hard uncertainty, like many things with this disease."

The convalescent-plasma-collection study at NorthShore University HealthSystem in Evanston, Ill., where Ms. Novakovic went, has continued to swab potential donors. "I don't care if you are without symptoms beyond 28 days. Everyone who comes in gets a swab," said Thomas Gniadek, principal investigator of that study. Potential donors who test positive are told to return seven to 10 days later to be tested again.

Ms. Novakovic, 43 years old, of Wilmette, Ill., said she and her husband invited a couple from the neighborhood over for dinner on Friday, March 13. "We sat a reasonable space apart from each other," she said. The neighbors brought their own beer. After they left, she picked up one of the unopened bottles

and put it in the refrigerator.

Two days later, she started feeling sick, with fever, chills, excruciating headaches and pain all over her body. "I felt like someone was sitting on my chest," she said. Fearing she might have a Covid-19 infection, she sequestered herself in her room. Her two children, ages 14 and 12, took care of themselves during the day, while her husband, a physician, was at work. On March 17, the neighbor called and said he had tested positive for Covid-19. Ms. Novakovic recalled that left-behind beer bottle. She and her husband got Covid-19 tests; her results were positive, her husband's negative.

By April 17, when Ms. Novakovic went to donate her plasma, she had recovered but was still cautious around family and friends. When her

mother came to visit, she remained in the backyard. She wore a mask and gloves when shopping at the supermarket.

When she learned she was still positive, Ms. Novakovic said, "I started to cry. I felt like a leper and that no one will want to come near me because I tested positive again." Her mother said she wouldn't visit until Ms. Novakovic's test results came back negative. Her doctor told her she didn't have to completely isolate herself but should practice social distancing.

Last Friday, April 24, Ms. Novakovic returned to the blood center, got swabbed again and waited in trepidation for the results. The test was negative. That afternoon, Ms. Novakovic donated plasma.

—Sumathi Reddy
contributed to this article.

Manhattan Project for Covid-19

Continued from Page One
an ad hoc review board for the flood of research on the coronavirus, weeding out flawed studies.

The group has compiled a confidential 17-page report that calls for a number of unorthodox methods against the virus. One big idea is treating patients with powerful drugs previously used against Ebola, with far heftier dosages than have been tried in the past.

The Food and Drug Administration and the Department of Veterans Affairs have already implemented specific recommendations, such as slashing manufacturing regulations and requirements for specific coronavirus drugs.

National Institutes of Health Director Francis Collins told people this month that he agreed with most of the recommendations in the report, according to documents reviewed by The Wall Street Journal and people familiar with the matter. The report was delivered to cabinet members and Vice President Mike Pence, head of the administration's coronavirus task force.

Dr. Cahill's primary asset is a young lifetime of connections through his investment firm. They include such billionaires as Peter Thiel, Jim Palotta and Michael Milken—financiers who afforded him the legitimacy to reach officials in the middle of the crisis. Dr. Cahill and his group have frequently advised Nick Ayers, Mr. Pence's longtime aide, and agency heads through phone calls over the past month.

No one involved with the group stands to gain financially. They say they are motivated by the chance to add their own connections and levelheaded science to a battle that has been strained on both state and federal levels.

"We may fail," said Stuart Schreiber, a Harvard University chemist and a member of the group. "But if it succeeds, it could change the world."

Steve Pagliuca, co-owner of the Boston Celtics and the co-chairman of Bain Capital—as well as one of Dr. Cahill's investors—helped copy edit drafts of their report, and he passed a version to Goldman Sachs Group Inc. Chief Execu-

tive David Solomon. Mr. Solomon got it to Treasury Secretary Steven Mnuchin.

The group's members say they are aware that many of their ideas may not be implemented, and could be ignored altogether by the Trump administration.

This account is based on interviews with scientists, businesspeople, government officials, as well as a review of related documents.

Break out

Only two years ago, Dr. Cahill was studying for his M.D. and Ph.D. at Duke University, conducting research on rare genetic diseases and wearing \$20 Costco slacks. He assumed he would continue the work after graduation.

Instead, he reconnected with a friend who introduced him to a job at his father's company, the blue-chip investment firm the Raptor Group.

Dr. Cahill got hooked on investing, particularly in life sciences. He reasoned he could make a bigger impact by identifying promising scientists and helping them troubleshoot problems than doing research himself.

After a stint at Raptor, he formed his own fund, Newpath Partners, with \$125 million from a small group of wealthy investors, including Silicon Valley stalwart Mr. Thiel and private-equity founders like Mr. Pagliuca. They were attracted to his blunt approach, as well as his interest in tackling intractable problems.

In early March, as Covid-19 deaths mounted, Dr. Cahill was intrigued and a little depressed with the state of research on the virus. "Science and medicine were the furthest things removed from everything happening," he said.

His investors peppered him with questions about the virus, and he organized a conference call to share some against-the-grain ideas on how to accelerate drug development and the like. He expected about 20 people.

When Dr. Cahill tried to dial in the meeting, he was rejected because the call had reached capacity. Then his cellphone buzzed from a New York number. It was National Basketball Association Commissioner Adam Silver. He, too, wanted the meeting's access code.

Newpath's deep-pocketed investor base had spread word of the call, and hundreds of people were on the line, most of whom he had never met, including Mr. Milken.



Tom Cahill, founder and managing partner at Newpath Partners in Boston, who became leader of the group Scientists to Stop Covid-19.

When he finally got on the call, Dr. Cahill took a deep breath and said he had been working with friends to whittle down potential Covid-19 treatments to the most promising. He said he largely dropped his investing work to focus on a hunt for a cure.

After an hour, he hung up and found his email inbox full of ideas and offers to help, including from Mr. Milken's team.

Dr. Cahill received a handful of notes from advisers to the vice president. They also had been on the call.

The scientist-investor had gained a platform. All he needed was a plan.

Tracing contacts

One of Dr. Cahill's first calls was to Mr. Schreiber, a founder of several private companies.

Mr. Schreiber looped in a longtime friend, Edward Scolnick, former head of research and development at pharmaceutical giant Merck & Co., where he helped develop 28 drugs and vaccines. Dr. Scolnick was blunt. A vaccine would take at least 18 months to hit the market, he told Mr. Schreiber, "if you're damn lucky."

Mr. Schreiber responded, "What about six months?"

The team drew up a list of roughly two dozen companies that could benefit from their recommendations and pledged to sell any shares in them immediately.

Much of the early work involved divvying up hundreds of scientific papers on the crisis from around the world. They separated promising ideas from dubious ones. Each member blazed through as many as 20 papers a day, around 10 times the pace they would in their day jobs. They

Dr. Cahill's primary asset is a long list of connections through his investment firm.

gathered to debate via videoconference, texts—"like a bunch of teenagers," Mr. Rosbash said—and phone calls.

Personal hygiene went by the wayside. Michael Lin, a Stanford University neurobiologist, began disabling the camera on his phone to protect his vanity. "A couple of days, I've had seven or eight Zoom meetings, which will itself I'm sure cause some kind of disease," joked David Liu, a Harvard chemical biologist.

The team pledged to try to block out politics—not an easy task in the noise and fury of a presidential election year.

Hydroxychloroquine, a malaria drug promoted by the president, was dismissed after the group's resident expert, Ben Cravatt of Scripps Research in La Jolla, Calif., determined it was a long shot at best. The drug received only a passing mention in the group's final report.

The group also disparaged the idea of using antibody testing to allow people back to work if their results showed they had recovered from the virus. Mr. Cravatt, a chemical biologist, declared it "the worst idea I've ever heard." He said that prior exposure may not prevent people from giving the virus to others, and that overemphasizing antibody testing might tempt some people to intentionally infect themselves to later obtain a clean bill of health.

The group's initial three phases of recommendations, contained in its report, center on leveraging the scale of the federal government. For instance, buy medicines not yet proven effective to encourage manufacturers to ramp up production without worrying about losing money if the drugs fail. Another is to slash the time required for a clinical review of new drugs to a week from nine months or a year.

The group next needed to get their recommendations to the right people in the Trump administration. For that, Dr. Cahill tapped another well-placed billionaire.

An introduction

Brian Sheth, co-founder of private-equity firm Vista Equity Partners, and a Democrat, had been watching the effort gather steam from his home in Austin, Texas. He was an early investor in Dr. Cahill's fund and had been on the first call. His expertise was technology, though, not immunology.

He was friendly with Thomas Hicks Jr., the Dallas businessman and co-chairman of the Republican National Committee. Mr. Sheth introduced Mr. Hicks to Dr. Cahill's group.

The connection cinched ties between a group of mostly liberal scientists from left-leaning institutions with a Republican stalwart who hunts birds with Donald Trump Jr.

In his first chat with the group, Mr. Hicks said, "I'm not a scientist. Make it clear enough for me, and then tell me where the red tape is."

A major concern of the scientists was the FDA. The scientists had in their research identified monoclonal antibody drugs that latch onto virus cells as the most promising treatment. But to make the medicine in sufficient quantities, one drugmaker, Regeneron Pharmaceuticals Inc., would have to shift some of its existing manufacturing to Ireland. FDA rules required a monthslong wait for approval.

Mr. Scolnick, who had tussled with bureaucracy during the AIDS epidemic, tried reaching the FDA. The call ended poorly after bureaucrats told the group they had the pandemic under control. In a group call afterward, one of the scientists said of the FDA: "They're the problem here."

Dr. Cahill got in touch with Mr. Ayers. Once the group briefed the vice president's aide on the bottleneck, Mr. Ayers said he knew who to call. That evening, March 27, Regeneron received a call from the FDA. They had permission, starting immediately, to shift production to Dublin.

"That was proof positive that what we were doing was starting to work," Mr. Rosbash said.

The group also made inroads with the VA, the largest health-care system in the U.S. The scientists pushed its medical staff to allow veterans with Covid-19 to join existing studies in such areas as prostate cancer, to see if already-approved drugs might be effective against the virus. They spoke to the VA's chief medical officer and secretary about the proposal and learned the initiative was being fast-tracked.

Mr. Pagliuca spoke to Charles Baker, the Republican governor of Massachusetts, on the phone about the report. The governor, Mr. Pagliuca said, planned to adopt elements of the plan.

With much of their scientific proposals under advisement, or already in the process, the group has an eye on the post-Covid-19 world. Mr. Pagliuca pushed the scientists to add a fourth phase to the plan—reopening America.

The ideas include development of a saliva test, and scheduling tests at the end of the workday so results are available by morning.

Group members have continued their discussions with administration officials in recent days, hoping their confidential plan turns to action.

"We need the entire nation—government, business and science—to unite to defeat this," Mr. Pagliuca said.

THE CORONAVIRUS PANDEMIC

A Neurosurgeon Takes On a New Role

MAKING IT WORK

As the new coronavirus forces big changes in how we

work, *The Wall Street Journal* is looking at how different people are coping with the stresses and risks. For earlier articles in the series, visit wsj.com/makingitwork.

By LAUREN WEBER

Three or four nights a week, Elizabeth Fontana drives from her Manhattan apartment to a hospital on the border between Queens and Long Island for her 12-hour shift in a Covid-19 intensive-care unit. During every commute, a close friend calls to check in on her.

"It has been such a comfort to know there is at least one good thing to look forward to every night I have to work," she said. As a doctor in the middle of the coronavirus crisis, she spends most of her time tending to the needs of critically ill patients and trying to comfort their families.

A neurosurgeon by training, Dr. Fontana, 42, was redeployed to the Covid-19 unit at Long Island Jewish Valley Stream in March. Before the pandemic, her typical days were filled with brain and spinal surgeries and consultations with patients. Now, from 8 p.m. to 8 a.m., she monitors patients' ventilators, draws their blood and keeps in touch with their relatives.

She volunteered for redeployment as the number of patients coming in began to snowball. "There's an enormous burden on the critical care staff."

To brush up her skills and lighten the load on the lead doctors in the Covid-19 unit, she took a two-hour course in ventilator management.

Caring for Covid-19 patients has prompted a profound sense of loss and sadness, says Dr. Fontana. Once

patients get to the point of needing to be on a ventilator in the ICU, their prognosis isn't good.

"Thirty percent of them are getting off the ventilator," she said. "That means seven people are dying for every three that are not. It's a lot of death."

She feels helpless for families who don't have the chance to see their loved ones in their final moments. "People really need to bear witness, and when you take that away from them it becomes really difficult to process loss."

At Long Island Jewish Valley Stream, doctors have become better at understanding the virus's signals, including when someone is close to death. They try to bring families in when there is still time to say goodbye.

After caring for patients, Dr. Fontana comes home to two daughters, ages 1 and 5. She's a single mother, and the family lives with an au pair. In some ways, says Dr. Fontana, her new schedule suits family life a bit better since she is home during the days.

Dr. Fontana wonders how the pandemic will affect her children, especially her older daughter.

"For the first week, she refused to go outside, she was saying 'I don't want to catch the virus,'" says Dr. Fontana.



Elizabeth Fontana with Zara, left, and Scarlett, her daughters

Kids Less Vulnerable to Virus

By JASON DOUGLAS

Doctors are increasingly confident that children are less affected by the new coronavirus than adults, a finding that could aid governments considering next steps in reopening economies.

Medical professionals recognized early in the global pandemic that children generally appeared to be less susceptible to falling ill from the new bug, with fewer confirmed cases, hospital admissions, serious complications or deaths than their parents or grandparents.

Only 1.7% of nearly 150,000 infections were found in people under 18 years of age, according to a nationwide analysis this month by the Centers for Disease Control and Prevention.

Now a review of 67 studies from across the world by a network of child-health experts who pore over evidence to aid clinicians has found broadly the same pattern. From Wuhan in China, where the outbreak began, to the U.S. and Europe, children are far less likely than adults to suffer gravely from Covid-19, with most showing few symptoms. Available data shows only a tiny proportion have succumbed and died.

The review also turned up a more tantalizing, though less certain, finding: That children may be less susceptible than adults to catching the virus at all, meaning they are less likely to spread it, too.

Some experts caution, though, that while the evidence is persuasive it is incomplete, and there are still risks to some children's health and the wider community from Covid-19, the disease caused by the virus, if schools open their doors too soon or without new safeguards to limit infection.

In a sign of how the full picture is still unclear, pediatric doctors in the U.K. issued an alert Sunday urging colleagues to be on the lookout for children showing inflam-



Children lined up to enter a school in Denmark, which has reopened many of its elementary schools.

mation of the heart and other symptoms of a rare condition known as Kawasaki disease, which they said may or may not be linked to Covid-19.

However, the review's broad findings, if borne out by further research, should ease concern that reopening schools risks sickening children or spreading the illness undetected through young people who show no outward signs of infection, disease experts say.

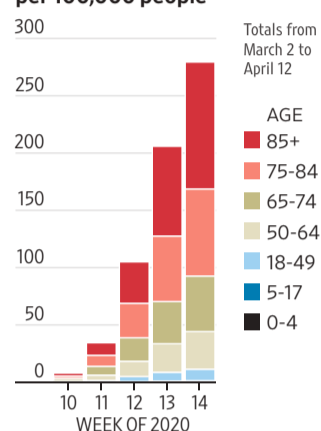
"The fear of these silent assassins in the community who don't have any symptoms and are infecting everyone else—more and more evidence is consistently showing us that this is probably not the case," said Alasdair Munro, clinical research fellow in pediatric infectious diseases at University Hospital Southampton, England, and one of the authors of the review.

Noel McCarthy, professor of epidemiology at Warwick Medical School, added that evidence "clearly offers reassurance for policy makers thinking about school openings and other forms of communal child care."

The findings come as Western governments weigh when to reopen schools and childcare facilities as part of a

The youngest people tend to have the fewest hospitalizations for Covid-19.

Hospitalizations by age, per 100,000 people



broader easing of economically costly lockdown measures aimed at slowing the spread of the virus.

More than 100 countries have closed schools nationwide, affecting some 840 million children, according to the Organization for Economic Cooperation and Development, a club of mostly rich countries, with knock-on effects for their economies as parents miss work to care for them.

For Joy Lawn, professor of

maternal, reproductive and child health at the London School of Hygiene and Tropical Medicine, the evidence doesn't yet support the conclusion that children are less prone to infection than adults, though she agrees it does seem kids aren't as badly affected if they do contract it. The lower rate of confirmed cases more likely reflects limited testing and the fact children tend to have only mild symptoms, she said.

But she said she was also concerned about wider effects on children's health from prolonged lockdown measures, especially in poorer countries, where there is growing evidence that they are missing essential vaccinations and mothers are skipping the hospital to have riskier births at home.

"Although children are not the focus of this epidemic, children are most vulnerable to the indirect effects," she said.

Why young children appear to be less affected by Covid-19 is a mystery. The phenomenon is all the more puzzling because similar respiratory diseases, such as influenza, tend to disproportionately attack youngsters as well as the very old.

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THE WALL STREET JOURNAL.

THE CORONAVIRUS PANDEMIC

Some Passengers Fly Solo

Continued from Page One
 mused. A sea of empty rows gaped. "Then it hit me," he says. "I was the only one on the plane."

To fly is an experience that upends a sense of space and time. In the wake of the coronavirus, with millions of Americans sheltering in place, that is truer than ever. Airports sit eerily empty, symbols of how the virus has devastated the economy and airlines in particular. Air passenger numbers are down a whopping 95%, according to U.S. government data, with many airline workers laid off or furloughed.

Thousands of people—essential workers, people traveling to be with their families—are still flying. Airlines say they are transporting key personnel and crucial cargo. Terms for federal aid also require them to maintain a certain level of service, even on routes with little or no demand, turning some commercial planes into the equivalent of private jets. Captains per-

sonally welcome passengers aboard. Extra snacks are doled out. Everyone marvels at the strangeness of it all.

Though Mr. Grimaldo bought a \$32 one-way economy ticket, flight attendants encouraged him to move up to first class. "I picked my bag up real quick and made it over there as fast as I could," he says. They offered to take his picture. They had been taking photos for a lot of solo passengers lately, they said.

"It was really cool to see them be so super casual and personable," Mr. Grimaldo says, adding that during the flight, they joked and chatted with him about work and family. "That was definitely my favorite part."

Ana Parra, 20, a student in Honolulu, also found herself the only passenger when flying home on United Airlines to Palm Springs, Calif., to be with family last month. As she boarded, she says employees were joking, saying "look at this girl, she's the only one, she has her own private plane."

Ms. Parra was tickled that the captain addressed his announcements to his lone passenger. "He was like, 'Ma'am, make sure you're buckled up,'" she says.

A flight attendant gave her a bag bursting with extra pret-

zel packets. Though Ms. Parra usually prefers to sleep on planes, she said it seemed rude to do so and stayed awake. When they landed, the worker who brought the stairs out to the tarmac joked he should roll out a red carpet.

Many passengers described the spectacle of near-empty planes and airports as spooky or apocalyptic. When traveling this month from London to San Francisco, Joshua Ieuan Williams, 21, says he counted six passengers aboard a plane that would normally seat hundreds. During a layover in Newark, he says he went nearly two hours without seeing another soul, even as music kept playing overhead. "It felt like I was in a zombie film," said Mr. Williams, a London-based singer who moved to be with family after the pandemic hit.

Though airport shops were closed, Mr. Williams was pleased he could still buy hot Cheetos—a snack he had craved while abroad—at an unmanned kiosk offering self-checkout. "It was like, it's the end of the world, but at least I have hot Cheetos," he says.

Nathan Hiatt, 23, flew home to Stillwater, Okla., after his school, Arizona State University, canceled in-person classes. The sole person on his flight, Mr. Hiatt ended up sit-



Juan Grimaldo ended up flying first class for \$32 on a flight to El Paso, Texas. He was the only passenger on the plane.

ting in first class, though since it was a small plane, he wasn't particularly impressed by the additional legroom.

He did appreciate the extra level of personal service, though: "Welcome to your flight, Nathan," one airline staffer intoned over the intercom before takeoff.

Airlines say they continue to operate flights as an essential service, and that cancellations also might risk delays in the arrival of vital cargo, such as medical equipment.

Before Covid-19 struck, Tom Kramer, 39, an emergency-room doctor, had been scheduled to work several April shifts at a rural hospital outside St. Louis. Though his wife worried about him getting on a plane, he decided to keep the assignment.

He needn't have worried: On his flight home, he was the plane's only passenger. Though he says he's accustomed to ignoring in-flight announcements, just before takeoff, he snapped to attention

when the captain personally welcomed him on board. "He said, 'Good morning Mr. Kramer, thanks for joining us on our flight to Philadelphia,'" he recalls.

Despite the cataclysmic industry upheaval, some remain sticklers for protocol. While the waiting area was deserted and gate attendants had told Dr. Kramer there were no other passengers, they still called every boarding group. "I thought that was the absolute funniest thing," he says. Dr. Kramer was boarding group five.

For Blake Gilliland, 21, who recently flew Southwest Airlines home to Fort Myers, Fla., after visiting his fiancée in Chicago, the experience of being the only passenger made a powerful impression. "I looked behind me and there wasn't a soul behind or in front of me," says Mr. Gilliland, a student at Florida Gulf Coast University. "And I'm on a major commercial airline on a huge jet."

The flight itself was comfortable, he says—but unsettling. "When you're quarantining by yourself, it's hard to think outside your own little world," he says. On the plane, that changed. "You realize, wow," he says. "How many people had this flight booked? And every single one of them canceled, except me."

Fed Breaks Taboos for Economy

Continued from Page One
 nancial crisis and war. Due to the financial and economic shocks caused by the virus, he says, central-bank officials "are being sucked into a series of entanglements that they cannot control and that they normally will not touch with a long pole."

Many government policy makers, including past Fed critics, support its actions this time, though political calculations could change quickly.

"This should be considered a very freakish Black Swan event," says Sen. Pat Toomey (R., Pa.), who criticized the Fed after the last crisis for enabling large federal budget deficits. Last month, he helped advance the \$2.2 trillion economic-rescue legislation in Congress that puts the Fed at the center of the government's economic-rescue efforts.

Among risks the Fed is taking: that some programs won't work, that officials won't be able to unwind them, that politicians will grow accustomed to directing the central bank to fix problems its tools aren't designed to solve, and that public discontent about the central bank's choices will erode its authority over time.

This last risk is prominent because the Fed's tools are better suited to helping large firms that borrow in capital markets than small ones that don't.

"Capitalism without bankruptcy is like Catholicism without hell," Howard Marks, director of investment fund Oaktree Capital Management LP, said in a letter to shareholders this month, writing that "Markets work best when participants have a healthy fear of loss." Mr. Marks in a later interview said he didn't want to imply Mr. Powell's actions were wrong: "The fact that something can have negative, unintended consequences, doesn't mean it's a mistake."

Mr. Powell defines the government's task from a different moral perspective. "People are undertaking these sacrifices for the common good," he said in his speech. "We need to make them whole to the extent we have the ability."

After cutting interest rates to near zero in mid-March, the Fed began a torrent of bond-buying programs to stabilize markets. Between March 16 and April 16, it bought Treasury and mortgage securities at a pace of nearly \$79 billion a day. By comparison, it bought about \$85 billion a month between 2012 and 2014.

Second wave

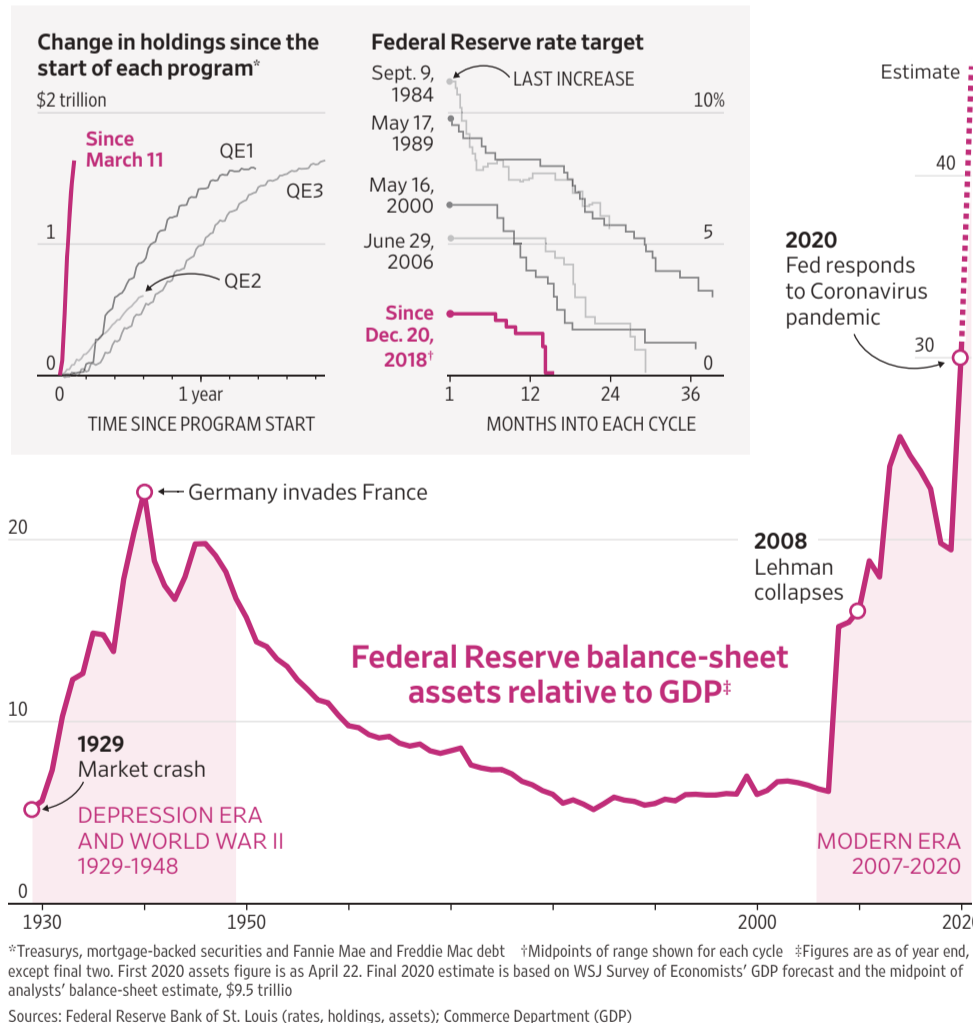
The central bank is preparing a second wave, programs in partnership with the Treasury to get loans directly to companies and state and local governments. Congress has armed the Treasury with \$454 billion to work in cooperation with the central bank for the effort.

The Fed will lend as much as 10 times the amount Congress



The Fed's economic role will be greater than in the Great Depression; a 'Black Thursday' scene, Oct. 24, 1929.

The Fed's portfolio of bonds, loans and new programs will swell to \$8 trillion–\$11 trillion, economists estimate.



*Treasury, mortgage-backed securities and Fannie Mae and Freddie Mac debt †Midpoints of range shown for each cycle ‡Figures are as of year end, except final two. First 2020 assets figure is as April 22. Final 2020 estimate is based on WSJ Survey of Economists' GDP forecast and the midpoint of analysts' balance-sheet estimate, \$9.5 trillion

Sources: Federal Reserve Bank of St. Louis (rates, holdings, assets); Commerce Department (GDP)

appropriated, with the Treasury taking the first losses on loans that go bad. The Treasury has so far committed around 40% of those funds to some of nine different programs, leaving room to expand them or deploy others.

Congress called upon the Fed in part because it developed capabilities to intervene during the 2008 banking crisis and is positioned like few other institutions to move fast. It also entered the crisis outside a partisan fray marked by distrust between congressional Democrats and the Trump administration, lawmakers and analysts say. And Mr. Powell's measured response to President Trump's attacks on him over the past two years have dispelled concerns among lawmakers that the central-bank chief would be a footman for the president.

"The Fed is not naturally suited to do this," says Douglas

Holtz-Eakin, a Republican former director of the Congressional Budget Office, "but the Treasury is using the Fed as its arm because the Fed is better at setting up these facilities and getting the money out."

The Fed has a unique power, the ability to create money by crediting banks with funds they can lend. That helps it guide the cost of money, which is the interest rate.

Low rates and money printing spurred consumer-price inflation after World War II and during the 1970s. Fed officials don't see that as a risk now because the economy is sinking.

Bigger federal borrowing needs will make it costly for the Treasury should interest rates eventually rise. "If the economy recovers and inflation is a problem, that will be the test," says former Fed Chairwoman Janet Yellen. That isn't a problem now. If it ever is, she says, "I think the Fed is going

to win out on that."

The Fed said Monday it would expand a forthcoming program to provide financing to state and local governments squeezed by declining tax revenue. It will buy debts of up to three years in maturity issued by up to 261 municipal borrowers, including the 50 states, the District of Columbia, counties of at least 500,000 residents and cities of at least 250,000. It had initially said it would limit such purchases to counties of at least two million and cities of at least one million, in addition to the states.

The Fed has long seen lending to states and cities as a political minefield. Its initial population restriction for municipal borrowers has already invited blowback. In a letter to Mr. Powell this month, Rep. Maxine Waters (D., Calif.), chairwoman of the House Financial Services Committee, said the program

would have excluded 35 cities most heavily populated by African-Americans.

Sen. Mike Crapo (R., Idaho), chairman of the Senate Banking Committee, sent Mr. Powell a letter the same day noting none of the municipalities in his state would be eligible and expressing unhappiness rural communities might be left behind.

Several analysts have said if lawmakers want more aid for local governments, they are better positioned to provide grants to states rather than rely on the Fed to make loans. Fed officials worry they might end up holding municipal debts borrowers can't repay. Left unanswered are questions such as what role it would play in a bankruptcy and if it would support the borrower or line up with other creditors to get its money back.

"The Fed doesn't want to be in a position to say, 'You have to raise taxes or cut pay to policemen or firemen,'" says Scott Alvarez, the Fed's general counsel from 2004 to 2017.

The central bank experienced awkward moments in the previous crisis managing assets it held due to its bailout of investment bank Bear Stearns Cos.—including when it foreclosed on a shopping mall in Oklahoma City and sold a portfolio of debt on Red Roof Inn hotels after its bankruptcy.

The Fed's corporate-debt backstops have been extended to include so-called fallen angels, companies recently downgraded to junk status. It also will provide financing to investors in business-loan funds known as collateralized loan obligations, or CLOs.

Many private-equity funds added debt to their portfolio companies before the crisis in the junk-bond and CLO markets. By supporting junk bonds and CLOs, the Fed could be helping private-equity funds that made their portfolio companies vulnerable before the crisis with heavy debt burdens.

Fed officials have concluded they need to offer broad support to corporate-debt markets to prevent credit from drying up and producing even more wide-scale bankruptcy and job loss. "I'd be willing to take more credit risk than I would have before this situation," says Cleveland Fed President Loretta Mester, "because this is a huge, unprecedented, negative shock."

The Fed's \$600 billion Main Street Lending Program will be its most complicated task, current and former Fed officials say. For the first time since the Great Depression, the Fed will lend directly to small and midsize businesses, offering loans of up to four years through banks.

"The Fed took a hit to its reputation when it was seen as having facilitated the 2008 bailout of Wall Street and leaving Main Street unhelped," says Vincent Reinhart, former Fed economist and now chief economist at asset-management firm Mellon. "They're not going to do that again."

The challenge isn't just deciding who gets money. It is also how much to charge and on what terms.

Central bankers live by "Bagehot's Dictum," named for the 19th-century British writer

who edited the Economist magazine. To stop a panic, Walter Bagehot said, a central bank should lend freely against good collateral at an interest rate a bit higher than normal.

Brian Sack, the director of global economics at investment fund D.E. Shaw who ran the New York Fed's markets desk after the last crisis, says that might not be well suited for the moment. Punitive rates implied by Bagehot might not be appropriate, and collateral is hard to size up in a mandatory shutdown. His addendum to Bagehot, he says: "Lend more freely than Bagehot under some circumstances."

The Fed doesn't want to lend to businesses that aren't viable, says Ms. Mester, the Cleveland Fed president. It also doesn't want to let viable ones fail because cash flow is temporarily cut off. Distinguishing between the two is the challenge—especially now.

The Fed limited how much debt small firms can have before qualifying for Main Street program loans. It is requiring banks to hold 5% of each loan to insulate itself from becoming a dumping ground for bad debts. Borrowers will face restrictions on executive compensation and dividend payments. The Treasury will take the first \$75 billion of any losses.

Main Street danger

One danger is that the Fed revives Wall Street, where its tools have been tested, while the Main Street program falls short, says Glenn Hubbard, a Columbia economics professor who was chairman of the Council of Economic Advisers under President George W. Bush.

Unlike in the 2008 bailouts, where the Fed and Treasury turned profits on bank rescues, Mr. Hubbard says, officials shouldn't be concerned about recouping the Treasury's investment. "If the Fed doesn't lose money," he says, "that says they weren't lending to borrowers who needed the money."

Another danger is that Congress gets used to asking the Fed to intervene. The central bank has aggressively guarded its independence, especially after it succumbed to President Nixon's pressure to goose the economy ahead of the 1972 election and was later blamed for the resulting inflation.

Last month, Fed lawyers helped nix legislative language that would have had Congress explicitly directing the Fed to launch lending programs, according to people familiar with the negotiations.

The Fed's actions represent a level of cooperation with Congress and Treasury not seen since World War II. Back then, the central bank held down long-term interest rates to help finance war spending and the recovery. The Fed successfully pressured the Truman administration to agree in 1951 to end that policy.

Ms. Yellen and former Fed Chairman Ben Bernanke say the Fed's independence would be more seriously imperiled if it didn't act boldly to protect the economy. "This is why the Federal Reserve was invented," says Ms. Yellen, "to do emergency lending in a crisis."

GREATER NEW YORK

On the Hunt for Earlier New York Cases

Pathologists are trying to determine whether the virus was in the state before March

BY MELANIE GRAYCE WEST
AND BEN CHAPMAN

Medical researchers are doing detective work to see if the novel coronavirus was in New York before March, undertaking studies of flu swabs and deaths that could challenge the official timeline of the infection's arrival in the state.

Pathologists at Manhattan's Weill Cornell Medicine are examining about 20 bodies that were permitted to be autopsied. These patients died at the hospital in February and March, and researchers are trying to determine whether one of those deaths may have been due to Covid-19, the disease caused by the new coronavirus, said Alain Borczuk, vice chairman and director of anatomic pathology.

One case, in particular, prompted researchers to seek additional testing from the Centers for Disease Control and Prevention.

Dr. Borczuk wouldn't say when that patient died, and it isn't known yet if the infection was the cause of death. But the death could move the hospital's first case back a number of weeks, he said.

The presence of an untypical lesion in the upper airway, which has been seen in a number of patients who have died from confirmed cases of Covid-19, is partly what triggered researchers to re-examine the earlier deaths.

"We don't know what the answer will be," he said of the findings. "Once you have an idea what the disease looks like you can go back."

Medical researchers around the country are working to de-



Medical workers wheeled a deceased patient behind a privacy screen at the Brooklyn Hospital Center on Monday as a woman walked by.

ing back at our January and February cases, but are following these scientific developments closely," she said.

On Thursday, Gov. Cuomo said searching for virus-related fatalities in December and January would be challenging.

"If you then go back to December and January and start to look at the number of deaths and check them for a Covid-related death, I don't even know how you'd do that practically," he said.

Spokesmen for the New York State Department of Health and for Mr. Cuomo didn't respond to requests for comment.

The spokesman for the city's health department said the agency had no evidence of an increase in influenza-like activity beyond what is expected for February. Flu was still circulating then, but it was on the decline, he noted.

"We will review what mechanisms we have in order to confirm if the virus was circulating earlier than our first confirmed case," the spokesman said.

The CDC routinely performs rapid sentinel surveillance, a common epidemiological effort to determine how many people are infected with a disease now and how many were infected in the past.

The city's health department spokesman said the CDC requested from the agency 549 anonymous samples from six local hospitals. The samples were from people who tested negative for flu and other respiratory viruses from Feb. 29 to March 20. Of that group, 6.6% of the samples tested positive for Covid-19.

The health department spokesman said the city didn't find Covid-19 in samples that preceded the city's first positive case on March 1.

—Josh Barbanel
contributed to this article.

termine when the virus first appeared in the U.S. Some findings already have led epidemiologists and government officials to rethink when the disease started to spread.

Last week, officials in Santa Clara County, Calif., said the first U.S. death from the novel coronavirus occurred in early February with the death of a 57-year-old woman, challenging longstanding timelines of the pandemic.

Previously, the first known U.S. deaths from Covid-19 involved two nursing-home residents in the Seattle area who died Feb. 26.

As of Monday morning, New York accounted for 30% of the 965,933 infections in the U.S. and nearly a third of the country's 54,877 deaths, according to Johns Hopkins

University, which has been tracking the disease.

The first confirmed case of coronavirus in New York was March 1, according to state and city officials. The initial patient was a Manhattan woman who had traveled to Iran and worked in health care.

On March 14, Gov. Andrew Cuomo announced that the state's first confirmed coronavirus death had occurred that morning. A review by the New York City Department of Health and Mental Hygiene has since identified two earlier deaths, on March 11 and March 12, and two on March 14, according to officials. The city was notified by the city's medical examiner of the March 11 death on March 15, said a spokesman for the Department

of Health and Mental Hygiene.

Researchers at the Icahn School of Medicine at Mount Sinai have found there was "untracked global transmission between late January to mid-February," according to research published in April.

Those researchers found that the virus had been circulating in New York City as early as mid-February, with versions of the disease that originated in Europe or North America.

Andrew Badley, head of the Mayo Clinic's Covid research task force, said knowing when there was a first case and a first death helps to understand the rate of spread of a disease. It is the "most important variable that gets plugged into predictive models about how many cases there will be

in the future," he said.

Researchers at the Mayo Clinic in Rochester, Minn., who had been studying the flu and the common respiratory syncytial virus, are now examining stored specimens to determine how early coronavirus was circulating in the U.S. before the official first cases, Dr. Badley said.

It is likely that researchers would find cases of coronavirus infection "going back months, possibly years," he said.

The Office of Chief Medical Examiner for New York City isn't reviewing deaths in the city from January and February to determine whether any were coronavirus-related, said Aja Worthy-Davis, a spokeswoman.

"We are not currently look-

States Lay Out Criteria for Reopening Economies

BY JOSEPH DE AVILA

The governors of New York and New Jersey on Monday said they can reopen economies in their states when a region shows declines in Covid-19 cases and hospitalizations for 14 consecutive days and hits other benchmarks.

New York Gov. Andrew Cuomo said at a news conference that parts of the state, excluding the hard-hit downstate region, could begin to open up as soon as May 15. A region would have to reach the 14-day criteria to reopen, he said.

"We have to be smart about it," Mr. Cuomo said. "As we said, there is no light switch

where you flick a switch and everybody goes back to doing what they are doing."

New Jersey Gov. Phil Murphy didn't give a timetable for reopening, but said his state would need to hit similar benchmarks before he starts pulling back on restrictions that have kept businesses closed to prevent the spread of the new coronavirus.

"Until we give the public confidence that they should not be fearful, we cannot take further steps," he said. "A plan that is needlessly rushed is a plan that will needlessly fail."

Both governors, who are Democrats, said testing must be ramped up in New York and

New Jersey to lift restrictions.

The states are preparing to assemble teams of thousands of workers to implement a contact-tracing program to get in touch with those who have had contact with infected people and may be infected themselves.

The states also are looking to secure space that could be used to isolate patients in the future so they don't infect others.

In New York, 337 more Covid-19 deaths were reported Monday, bringing the statewide total to 17,303. New Jersey reported 106 additional deaths Monday for a total of 6,044 fatalities.

The number of people hos-

pitalized in New York fell slightly by 20 patients on Monday; it was the 14th consecutive day of declines for the state. In New Jersey, there were 166 fewer people hospi-

Testing must be ramped up in New York and New Jersey to lift restrictions.

talized for the state's sixth straight day of declines.

New York will soon be conducting antibody tests for

front-line workers to get an estimate for how many have been sick with the virus. The state plans to test 2,000 police officers and firefighters in New York City and 1,000 transit workers. An additional 3,000 health-care workers in the state also will be tested.

"We want to know exactly where those front-line workers are if they have been infected," Mr. Cuomo said. "We want to make sure people are getting help."

The state also released new results from antibody tests of 7,500 New Yorkers. The results showed that nearly one in four New York City residents in the study tested positive. That fig-

ure indicates that about two million people from New York City may have been infected, Mr. Cuomo said.

On Long Island, 14.4% tested positive in the antibody study. In Westchester and Rockland counties, that figure was 15.1%, and for the rest of the state it was 3.2%.

In New York City on Monday, Mayor Bill de Blasio said the city plans to close 40 miles of streets to make room for sidewalk widening and additional bike lanes during the next month to make social distancing easier. An additional 60 miles will be closed in the future in areas that have been the hardest hit by the virus, he said.

Majority Backs Rules, Poll Shows

BY JIMMY VIELKIND

A broad majority of New York voters support state requirements to wear face coverings in public and keep schools and most businesses closed until May 15 to stop the spread of the novel coronavirus, a poll released Monday found.

Gov. Andrew Cuomo, a Democrat, also received record-high marks for his handling of the outbreak in the state, according to a survey of 803 voters conducted last week by the Siena College Research Institute.

"Mired in middling poll numbers for the last two years, Cuomo is feeling the love from New Yorkers of all stripes in year three of his third term, and his first global pandemic," poll spokesman Steven Greenberg said. "His 71-28% job performance rating this month beats last month's all-time high, and is up strikingly from a negative 36-63% rating just two months ago."

The poll found 92% of voters surveyed supported the governor's executive order requiring New Yorkers to cover their nose and mouth if they are in a public place where social distancing isn't possible.

The order went into effect April 17.

Eighty-seven percent of voters said they support keeping schools and nonessential businesses closed until May 15.



Gov. Cuomo ordered New Yorkers to wear masks in public places where social distancing isn't possible.

The margin of error in the poll was plus or minus 3.7 percentage points.

The state will begin reopening its economy on a regional basis, starting with the construction and manufacturing sectors, Mr. Cuomo said.

The restart would be premised on a decline in new coronavirus cases, which would be measured by an expansion of testing for both infections and antibodies, which indicate

a person has had the virus.

Last week, several hundred people protested outside the state Capitol in Albany asking leaders to begin reopening the economy.

The poll found that a majority of New Yorkers, 69%, said the state couldn't reopen businesses without widespread testing.

The level of support was higher in New York City than upstate counties, but in both

areas more than 60% of voters agreed.

The poll also found that more New Yorkers, 78% of those surveyed, trusted the governor to determine when businesses can reopen than they did President Trump.

Eighty-four percent of respondents approved of Mr. Cuomo's handling of the crisis, compared with 34% who approved of Mr. Trump's approach.

State Cancels June Presidential Contest

BY JIMMY VIELKIND

New York election officials took the unprecedented step on Monday of canceling the state's Democratic presidential primary to stem the spread of the novel coronavirus.

Democratic commissioners of the State Board of Elections approved a resolution that removed 10 candidates from the primary ballot who had publicly stated they were suspending their campaigns. That included Vermont Sen. Bernie Sanders, whose campaign said Sunday that it would like the primary to move forward.

The primary was scheduled for June 23.

State lawmakers included a provision in the state budget approved earlier this month that allowed for the removal of candidates and people who were on the ballot as their delegates to the Democratic Party's nominating convention in August.

Republicans canceled their presidential primary in March, when only President Trump fulfilled the requirements to secure a spot on the ballot.

Residents in many parts of New York still will vote on June 23 in primaries for state and local offices, as well as seats in the U.S. House of Representatives.

Douglas Kellner, one of the

two Democratic commissioners on the state Board of Elections, said he was concerned that holding a presidential primary would unnecessarily expose voters and election workers to the coronavirus. He noted that Mr. Sanders endorsed former Vice President Joe Biden's bid for the nomination on April 13.

"What the Sanders supporters want is essentially a beauty contest that, given the situation with the public-health emergency that exists now, seems to be unnecessary and, indeed, frivolous," Mr. Kellner said. "I think that it's time for us to recognize that the presidential contest is over."

When he suspended his campaign on April 9, Mr. Sanders said he hoped to continue to amass convention delegates during coming primaries so he would have influence over the party's rules and platform. On Sunday, a lawyer for Mr. Sanders's campaign asked election officials to hold the primary.

"Removing Sen. Sanders from the ballot would undermine the Democratic Party's interest in self-governance and unification," the lawyer, Malcolm Seymour, said in a letter.

Representatives for the Biden and Sanders campaigns didn't return emails seeking comment.

GREATER NEW YORK



Hajnal Pivnick, left, and Frank London are part of a group organizing what it is billing as a 'symphonic fanfare' Wednesday night, inviting musicians with a range of talent to participate.

Musicians Plan Symphony for City in Crisis

By CHARLES PASSY

During the pandemic, New Yorkers have saluted health-care professionals and other essential workers every evening at 7 p.m. with claps, shouts and lots of banging on whatever instruments—or kitchen gear—are on hand.

Now, three local musicians are attempting to turn that cheer, a tradition that originated in China and has been picked up in Italy and elsewhere, into what they bill as a “symphonic fanfare” this Wednesday night. And they are inviting all New Yorkers, from beginning students and rank musical amateurs to prominent artists, to participate.

“We can play together from a distance,” said Frank London, a composer, trumpeter and bandleader who is part of the group behind the effort.

The other organizers include husband-and-wife musicians Dorian Wallace and Hajnal Pivnick, who are the founders of Tenth Intervention, a New York-based music series and artist collective.

The trio is calling the piece “For Our Courageous Workers,” an 11-minute opus, broken into four parts, with a score that is more like an emotional road map.

The work will unfold with periods of “Cheering,” starting at 7 p.m., “Reflecting” at 7:03, “Catharsis” at 7:06 and “Gratitude” at 7:09.

Those with instruments on hand are invited to play specific things at specific times—string players will be given one set of notes during “Cheering” and “Reflecting,” while keyboard players will be given others, for example.

Full details can be found on Tenth Intervention’s website.

Amateurs can participate in other ways, too. During “Cheering,” they are encouraged to do as they normally would during the 7 p.m. salute: “clap, cheer, bang on pots and pans.”

Conversely, during “Reflecting,” they are instructed to “breathe, listen and reflect.”

The “Catharsis” section will be more of a wild jam, with a basic set of instructions: “Play



Lenox Hill Hospital health workers thank New Yorkers who cheer for those battling the pandemic.

anything!” And “Gratitude” calls for instrumentalists to all play a single note—B flat, to be exact—while everyone else sings “Ah” on any note of choice.

Mr. London said he came up with the idea for the piece a little more than a week ago. His thought: It is time to give New Yorkers a new way to cheer.

“They need something to juice it up,” said Mr. London, who is especially known for his work with Grammy Award-winning band the Klezmatics. Mr. London worked with his

collaborators to develop the score and get the word out quickly about the event. The trio has tapped a network of cultural and other organizations, from the Kaufman Music Center in Manhattan to the Brooklyn Conservatory of Music, to share the details with their respective communities.

Brian Drye, program director at the Brooklyn Conservatory of Music’s community school, said he hopes the event would be repeated on a regular basis, so that it builds on itself. “I definitely could see this happening again,” he said.

So far, the organizers haven’t committed to anything after Wednesday. They also admit it is difficult to say how many New Yorkers will end up participating.

If anything, Mr. Wallace said the idea isn’t necessarily to repeat the event so much as to inspire artists and others to think creatively during the pandemic.

“I don’t think it matters if this project has a life beyond” this week, he said.

#AloneTogether

Staying home saves lives.



For more information, visit [coronavirus.gov](https://www.coronavirus.gov)

LIFE & ARTS

Happy Hour Gets Earlier In Lockdown

Many social drinkers find they are consuming more as they look to cheer up or relieve stress

BY RAY A. SMITH AND BOJAN PANCEVSKI

By her third week of social distancing, Amanda Marie Ramos noticed that she was finishing a bottle of wine faster than usual. “Typically if I even open a bottle on a Friday night, I make it last all the way till Sunday night, and sometimes I may not even finish it then,” said the 39-year-old married mother of two, who lives in Canandaigua, N.Y. “But lately I’ll finish a bottle that night, or in two, depending on who I’m FaceTiming.”

Ms. Ramos, a registered nurse with the University of Rochester’s pediatrician’s office, is one of many social drinkers who typically go for beers, wine or cocktails once or twice a week, or only on weekends and special occasions. Now, she finds herself drinking more than usual under quarantine. “What else is left to do after the house is cleaned, feasts have been made, and bike rides and walks have been had?” she said.

Stuck at home and unable to visit bars and restaurants, social drinkers are drinking more to wind down, or “wine” down, after frenzied days juggling working from home and managing children or families. To relieve pandemic anxiety, or to preserve a positive outlook and social routines in a dark time, many have participated in virtual cocktail hours or poured a drink for a video call with friends.

Celebrity chef Ina Garten went viral earlier this month after posting on Instagram a two-minute video mixing her favorite Cosmopolitan in a pitcher, pouring some into a giant cocktail glass, then taking a sip—at 9:30 in the morning. Her caption reads: “It’s always cocktail hour in a crisis!” So far, the clip has been viewed more

than three million times.

Sales of alcohol at U.S. liquor and grocery stores have risen nearly 26% from the week ended March 7 through the week ended April 11, compared with the same period a year ago, according to research firm Nielsen. Online alcohol sales have soared week after week, Nielsen added, while many states are temporarily allowing restaurants and bars to make home deliveries or sell wine and cocktails for takeout.

Alcohol sales are also up in Europe. In Spain, one of the countries hit hardest by the virus, wine sales surged by 60%, while beer purchases went up 80%, according to a survey by the retail magazine Inforetail. In Germany and the Netherlands, wine and spirits purchases from supermarkets rose by 30% during the lockdown, according to GfK, a global market-research firm.

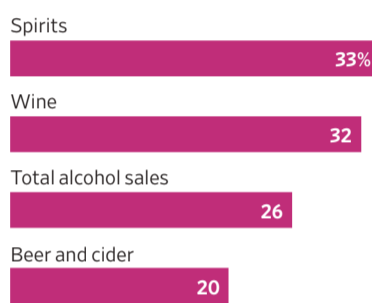
Åsa Linderborg, a Swedish author, wrote an essay in the country’s largest-circulation newspaper, Aftonbladet, about how the stress of the epidemic, compounded by anxiety about job and recession fears among her friends, drove her to start drinking at 11 a.m.

“I wonder how many people feel, like I feel, that one, two, three glasses is the only way to suppress anxiety?” Ms. Linderborg said.

The World Health Organization has called on governments worldwide to warn citizens that increased drinking at home could be a slippery slope into alcoholism. “With routines out of the window, we might well find ourselves reaching for a drink more often,” says Dr. Aiysha Malik, an officer in the WHO’s Department of Mental Health and Substance Abuse.

Excessive drinking could lead to serious problems including mental health issues, domestic violence and accidents, said Jonathan Avery, di-

Change from year earlier in U.S. retail alcohol sales*



*for six-week period ending April 11. Source: Nielsen



FROM TOP: GETTY IMAGES/STOCKPHOTO; INA GARTEN



More Zoom calls mean more wine for some. Celebrity chef Ina Garten went viral with a giant cocktail on Instagram.

any long-term health issues or any dependency.”

Susan Kent, of Stanley, N.Y., now drinks a glass of wine before bed. “I get up at a quarter after five in the morning, and at 10 o’clock at night when you’re still wound up and you know you can’t go to sleep, one glass of wine helps me relax,” said the 53-year-old hospital secretary. It is something she started four weeks ago to take her mind off of the virus, how hard it could hit her area and whether her job is safe.

“I know drinking more is obviously not good for you, but it’s almost easier to justify because you have the time and easier access,” said Eric Turner, of Greensboro, N.C. The 34-year-old, who works in financial services, might once have had one or two drinks two nights a week and maybe on a Saturday, “now it seems like it’s becoming more frequent, two, three, four nights in a row.”

Julia Dugan, a 27-year-old administrative assistant in Maryville, Tenn., said her drinking has increased since she no longer has to wake up at 6:30 a.m. every day to head to work. “If I want to have a few more beers in the evening, you know, it’s not a problem,” she says. The mental health office where she works now rotates workers so Ms. Dugan’s work schedule sometimes means she goes into the office one day a week. “During the week I hardly ever drink, but, shoot, I only worked one day a week so I’m like why not crack a beer? It’s not like I’m getting wasted every evening. It’s not excessive.”

rector of addiction psychiatry at Weill Cornell Medical College in New York. Even social drinkers should watch that their increase doesn’t slip into a problem. “It’s so in our culture that this is how one responds to a difficult life moment, by drinking,” Dr. Avery said. “If you look at a movie, what do people do after a breakup or after losing a job? Drink.”

Many social drinkers, though, say they are partaking with moderation.

Sean Leahy, an account representative at a Portland, Ore.-based company, and his wife, who works in property management, are both working from home. Mr. Leahy said the two will have drinks after work four to five times a week compared with two to three times before stay-at-home orders. “These are unprecedented times and our ‘normal routines’ are inevitably changing as a result,” the 31-year-old says. “I’m not worried about

BY ELLEN BYRON

GOODBYE RUSH HOUR and business suits. Hello robots and mood-boosters.

Just three months after releasing its forecast of this year’s biggest global consumer trends, market researcher Euromonitor International on Monday updated its predictions to reflect a major impact from Covid-19. Some shifts have taken hold much faster than Euromonitor expected, notably the home’s transformation into a multifunctional refuge used for work, school, leisure and exercise. But the pandemic has stalled other trends—relaxing previously rising privacy concerns and damping interest in reusable products.

“As we all know, life has been turned on its head,” Alison Angus, head of Euromonitor’s lifestyle research, says in a webinar released Monday. Here are Euromonitor’s updated predictions for big global consumer trends:

Privacy Concerns Ease: Euromonitor forecast in January that consumers would be less trusting of companies using their data without transparency, adequate security and opt-out options. But Covid-19 put those worries on hold, it says.

“Right now, consumers are more focused on the virus, that’s their fear,” says Ms. Angus. “They’re prepared to pause their privacy concerns and share data in the name of public health.” Even as lockdowns ease, Euromonitor expects privacy worries to remain on hold as online shopping and payments continue to be a necessity rather than a choice.

Friendly to Robots: Consumers have suddenly become far more comfortable with robots and other types of artificial intelligence per-

Coronavirus Trends: Homebodies, More Robots and Less Privacy



The pandemic has accelerated the transformation of the home to a refuge used for work, school, leisure and exercise.

forming jobs traditionally done by humans. Euromonitor earlier this year noted that consumers were buying more AI-enabled home appliances and virtual assistants, like Amazon.com Inc.’s Alexa. But now, such devices have a new draw, says Ms. Angus. “Voice-control technology limits the need to touch surfaces so much, so that’s why they are appealing,” she says.

Robotic innovation is further driven by businesses investing in technologies that offer no-contact services and deliveries.

Heightened Distraction: Shorter attention spans mean that people expect information to be as accessible as possible in the quickest possible time. Earlier this year, Euromonitor cited this as the “catch me in seconds” trend and called for businesses to offer more per-

sonalized content in easily digestible messages. The pandemic has deepened consumers’ distraction because they are overwhelmed by fast-changing information, and the lines between work, rest, play and exercise have blurred at home.

Slower Mobility: The coronavirus has “all but stalled” demand for better transportation options, which Euromonitor in January had said was on the rise, Ms. Angus says. Before the virus, people were seeking easier navigation through crowded cities, including more public transportation and more opportunities to share bikes, scooters and even helicopters. Now such needs have waned.

More Inclusivity: Demand for products and services that emphasize “inclusivity for all,” including peo-

ple with physical and mental disabilities, is a trend that has been strengthened by the novel coronavirus, Euromonitor says. As more travel destinations, education courses, entertainment venues, business meetings and cultural institutions emphasize their online accessibility, disabled communities benefit. And a rising sense of community is fueled when more people are helping those in need, putting pressure on businesses to include disabled communities, Ms. Angus says. “As we come out of lockdown, most of us will have experienced firsthand the isolation many individuals with disabilities cope with daily,” she says. “This is increasing our community spirit everywhere.”

Homebodies: The multifunctional home is a prediction that came true

“overnight,” Ms. Angus says. As access to broadband grew, Euromonitor in January had predicted that more consumers would become reluctant to leave their homes. Amid the coronavirus-fueled lockdowns, consumers fully retreated to their homes and immediately transitioned to working, learning, exercising and socializing there.

Local Pride: The pandemic has fueled consumer demand for more local brands and products, Euromonitor says. Overnight, international travel and supply chains closed. Meanwhile, the virus has created a feeling of “getting through this together” and wanting to support local businesses and communities to keep them going, Ms. Angus says.

Fewer Reusables: “This is another trend that coronavirus for now has halted,” says Ms. Angus. Euromonitor initially predicted more circular business models that aimed to promote sharing, reusing, refilling and renting to avoid waste. But now, concerns over health and touching products that have previously been used have led consumers to again embrace disposable products, Ms. Angus says. “Clean comes before green,” she says.

Taking Care: At the start of 2020, well-being was a top priority as consumers sought products that offered mood enhancement and brain-function boosts, Euromonitor reported. Amid the pandemic, that concern is heightened as many people struggle with isolation, fear of the unknown and anxiety. “Covid-19 will reset people’s behavior and priorities,” she says. “They’ll be favoring consumption patterns that prioritize the self.”

◆ For Tuesday’s Arts in Review articles, please see WSJ.com.

OLIVIER DOULIERY/AGENCE FRANCE-PRESSE/GETTY IMAGES

LIFE & ARTS



Demand for In-Home Care Rises

BY CLARE ANSBERRY

OVER THE PAST three years, Paula Newbaker has relied on in-home caregivers to help with her 88-year-old mother, who has dementia.

When the new coronavirus began spreading last month, Ms. Newbaker and the caregivers decided that the risks were too great for them to continue coming to the home in western Pennsylvania.

As older adults shelter in place, an already-stretched caregiver network faces new strains.

"I don't know when we are going to feel safe enough for that," she says.

The coronavirus is putting a new focus on the importance of home care and the strains on its workers and the people relying on them.

Even before the pandemic, demand for home-health aides was

expected to exceed supply by more than three million in the next decade. Until there is a vaccine that can protect those most at risk, the need for these workers, whether paid by individuals or through Medicare and Medicaid, is expected to remain high.

A month ago, none of the 600 home-care providers represented by the Ohio Council for Home Care and Hospice had reported infections among workers, says Joe Russell, the council's executive director.

Data on the impact of Covid-19 on home-care workers is scarce. The Centers for Disease Control and Prevention reported that as of April 9 in the U.S. more than 9,200 health-care professionals, a much broader sector, had been infected with the coronavirus, and said it was likely an undercount.



Top, Ernest Jackson, 93, relies on Sheila Bingham Jones of Home Instead Senior Care. Paula Newbaker, above, looks after her mother, Rae, without caregivers now.

aides, personal-care aides and nursing assistants—would test positive, based on data as of April 22 from Washington state, New York, the Centers for Disease Control and Prevention and Johns Hopkins University.

Yet demand continues to rise. In the last three weeks, Jeff Huber, CEO of Home Instead Senior Care, has seen an increase in the number of people looking for in-home care, as well as the degree of their need.

Anne Cassista, of Ashland City, Tenn., recently took her 92-year-old husband, Floyd, out of a memory-care unit of a psychiatric facility because she was no longer able to visit him due to Covid-19 restrictions.

He entered the unit in early April and his condition had deteriorated. "I know we are both coming to the end of the journey, but I didn't want him to die without me holding his hand," says Mrs. Cassista, 85, and a former ballet dancer.

To bring him home, Mrs. Cassista needed help. She assembled a team, including privately paid caregivers who come four days a week for four hours. Her husband has been home since April 15 and is eating better and able to walk and carry on conversations, she says.

The coronavirus also has upended home-care arrangements for

those with disabilities. Katrina Simons, 32, a community-program specialist for the University of Minnesota, has cerebral palsy and relies on a team of part-time workers coming into her Minneapolis apartment to get her in and out of bed, bathed, dressed and fed. She needs three hours of help in the morning and four in the evening and pays \$13.25 an hour.

In mid-March, several caregivers who were college students told her they were going home because classes were canceled. "I lost four staff in 48 hours," says Ms. Simons.

A week ago, another helper quit to do child care for a family that asked that she work exclusively for them because of the virus risks, offering to pay her \$20 an hour.

Now Ms. Simons's home-care setup is tenuous. Filling in various shifts are a waitress who was laid off from a pizza shop at the airport, a musical therapist who lost her job, and an apprentice in a welding program that was suspended. She expects most of them to eventually return to their full-time jobs and programs.

"I've always been worried about a staff shortage, and I worry about it getting worse during Covid-19," she says. "It's not a job many people would take. They can earn more collecting unemployment."

Many home-care aides continue to work, taking extra precautions to keep themselves and the people they care for safe.

Sheila Bingham Jones, 55, arrives five mornings a week at the home of Ernest Jackson, 93, one of the first African Americans in the Marine Corps. When packages arrive, she disinfects the contents outside the house. She sprays the bottom of her shoes or brings an extra pair, and wipes down counters, door handles, phones, and remote controls when she arrives.

When she told Mr. Jackson he could no longer come into the grocery store or bank with her, he initially objected. "I had to sit down and explain the seriousness of what is going on," says Ms. Bingham Jones, who takes the same precautions when she stops in to see her 87-year-old mother, who lives with her brother.

She never considered not coming to care for Mr. Jackson. "It's my job, but I love what I do," she says.

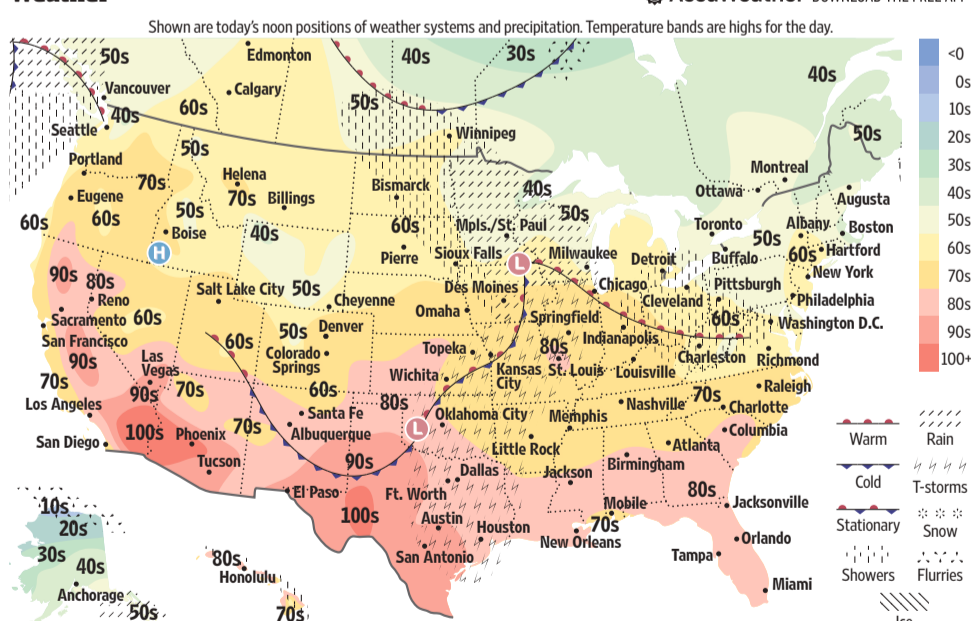
Ms. Newbaker, in western Pennsylvania, left her public-relations job in Washington, D.C., three years ago to help care for her mother—Eralda, known as Rae—who has dementia and spinal stenosis. Two caregivers were coming to their home two mornings a week.

When the coronavirus began spreading and the state issued a shelter-in-place order, she and her caregivers decided it was best they didn't come.

It's been difficult, says Ms. Newbaker. The home-care workers brightened their days. They bathed her mother, got her to take her medication and exercise, all things that she resists when her daughter does them.

"It's taking a toll on both of us," Ms. Newbaker says.

Weather AccuWeather



U.S. Forecasts

Table with columns for City, Today (Hi, Lo, W), and Tomorrow (Hi, Lo, W). Lists major cities across the US with their weather forecasts.

International

Table with columns for City, Today (Hi, Lo, W), and Tomorrow (Hi, Lo, W). Lists international cities with their weather forecasts.

The WSJ Daily Crossword | Edited by Mike Shenk

A crossword puzzle grid with numbers indicating the starting positions of words. The grid is 13 columns wide and 13 rows high.

DOUBLE DOWN | By Zhouqin Burnikel

A list of crossword clues categorized by length (Across and Down). Includes clues like 'Tennis star Nadal' and 'Offer to a hitchhiker'.

Previous Puzzle's Solution

The solution to the previous crossword puzzle, showing the filled-in grid with words in all caps.

SPORTS

German Soccer Tries Social Distancing

The Bundesliga sets new guidelines as teams return to practice—bagged lunches, long passes and no showers

By JOSHUA ROBINSON

The Borussia Dortmund players hadn't kicked a soccer ball in almost two weeks when the club reached out with a surprising invitation. While the rest of the sports world sheltered on exercise bikes, they were being summoned back to practice.

What they found there didn't look anything like the sessions they were used to. The players could train only in pairs and soccer was now, apparently, a noncontact sport. But by sticking to the new guidelines, Dortmund has been back at the office with the German government's blessing since the week of March 30. And as some of the first athletes to emerge from quarantine, the team has gained rare insight into the coming shape of not just pro sports, but everything else:

Work from home was weird. Work from work is even weirder.

"We started training in twos, then fours, then sixes, and now eight—always respecting the government's rules," midfielder Axel Witsel said. "So far, we haven't been able to do anything with ball possession or small-sided games."

Yet real games with real stakes and a possible championship are just around the corner. With the coronavirus pandemic under relative control in Germany, the country's top soccer division hopes to return to empty stadiums as early as May 9. Teams haven't played a minute of 11-on-11 soccer in more than six weeks.

How best to reboot for elite competition with all the right precautions is anyone's guess. No one has ever faced a stop-start quite like it. So Dortmund's coaches have to make it up as they go along while the whole planet watches. Simply by being first, German soccer clubs are writing the playbook for sports teams everywhere to get back to business.

"We have to be creative," head coach Lucien Favre said.

At practice, Dortmund now practices social distancing. Coaches who previously designed every aspect of training to foster togetherness are reinventing their entire workplace to keep their staff apart. Players remain in small groups, grab bagged lunches prepared by the team chef, and take showers at home.

Working on set pieces is out of the question—corner kicks come with too much jostling. Tackles are banned for the moment too. The



German soccer teams are back in training and hoping to resume their season in May. But for now, at socially distanced practices, soccer is a noncontact sport. Left, Manuel Akanji leaves a training session with a bagged lunch.

only upside, Favre said, is that his team can focus on individual skills that they never have the chance to hone anymore.

"They stay 10-15 yards away from each other, passing the ball, moving, and we go all the way to the goal like that," said Favre. "It's even better for respecting social distancing than before."

Off the pitch, everything has been adjusted for players to breathe as little of anyone else's air as possible while they're on Dortmund's campus. The senior squad has commandeered every locker room at the facility, right down to those belonging to the youth teams. At no time do they dress in the presence

of more than two other players. Even then, all they do is pull on a jersey and change their shoes. When practice is over, the still-sweaty Dortmund players skip ice baths, massages, and showers and hop back in their cars.

"It's old-school, like when we were kids in little clubs," Witsel said. Except this is a club in contention for the German league title.

With nine games to go, Dortmund is just four points behind the leader, Bayern Munich, which is also back in socially distanced training.

Should the battle resume on May 9, the Bundesliga will be weeks ahead of its neighbors. Just next door, France will still be under full lockdown. Belgium and the Netherlands have given up trying to pick up this season altogether.

Those who do harbor dreams of playing again in the near future are paying close attention. Italy intends to let pro teams practice from May

18. La Liga in Spain is giving serious thought to dates in June. And the English Premier League is also exploring options through the summer. What everyone can already agree on is that pro sports are a long way from unfolding in front of fans again. In cities like Milan and Liverpool, soccer learned the hard way that jam-packed matches were ideal vectors for infection.

Dortmund has recent experience with empty stands than most. Its last game before European soccer ground to a halt was played behind closed doors at Paris Saint-Germain on March 11. Dortmund lost 2-0 in front of 45,000 empty seats.

"We lacked the adrenaline that you get from fans," Witsel said. "Even when you play on the road and the whole stadium is against you, you've still got something pushing you....But we're going to have to get used to it."

For Dortmund in particular, this

will take some adjustment. The club normally fills its cavernous home stadium with 80,000 supporters every other weekend, making it the best attended ground in Europe. Under German soccer's new protocol for the league, attendance will be closer to that of a small movie theater.

The players' main goal now is to make sure they're in proper shape. They did their best at home after the club shipped them all exercise bikes. And now they have the pleasure of running on actual soccer fields.

Favre, meanwhile, used the lay-off to study extra game tape, a luxury he didn't have when Dortmund was playing twice a week. Then once he ran out of Dortmund game tape, he killed time the same way as sports fans everywhere else: he rewatched classic tape. Nothing blew him away more than a 1974 World Cup match between the Netherlands and Brazil.

Favre had remembered it as a supreme display of offensive skill. What he'd forgotten was that referees also let defenders get away with murder. "Seeing it now, I nearly fell out of my seat!" he said. "There's an assault on the pitch every five minutes!"

Rampant fouls weren't the only jarring sights. After two months of social distance, everything about pre-pandemic game footage came with shock value: the bumping stands, the abundant hugging, the crowded penalty areas, the players trading jerseys full of microbes.

It was a highlight reel of everything you're no longer supposed to do. But Favre knows that none of them will be coming back anytime soon, even when soccer does.

JASON GAY

I Teach School Now. It Isn't Going Well.



If one penguin lays two eggs, and four penguins lay four eggs, then six penguins will lay...oh, what do I know about penguins?

Can't someone ask me about the NFL draft? Bill Belichick did the draft with his dog!

Hi. My name is Jason. I used to write about sports, but now that job is relegated to the funny hours, in the early light, among the chirping birdies, or in the dark, after my family has snoozed off for the evening. Like many parents, my 9-to-5 workday is now consumed by teaching "virtual" school—in my case, for a 5-year-old and a 7-year-old, a pair of innocent children suddenly at the mercy of a father who misspelled "San Francisco" halfway through his Super Bowl column.

This isn't one of those columns in which the author gives smart advice about how to teach children in quarantine. There is no smart advice here. I'm lousy at this. My children are plunging in aptitude with each passing minute. Thanks to their dad, they're on the verge of delinquency and mayhem. I think I saw one of them try to carve "Black Sabbath" into the kitchen table with a pocket knife. I swear they've started smoking in the bathroom.

But these kids are stuck with me as long as this goes on. That's because their mom is a teacher herself—a real teacher, not a moron, like me. When she steps in and runs virtual school, it actually resembles a school. But a lot of the day, she's tucked away in another room, teaching her own students, while daddy is out on the living room

couch, tormented by phonics for the first time in decades.

I know what you're thinking: Your kids are 5 and 7 years old. How hard can it be? I got news for you, friends. School has changed. You or I would be road kill in first grade in 2020. Today's students have real work, every day. If my kids don't do it, they're going to wind up in some dead-end job, like newspaper sports columnist.

I want to be clear: My family and I, we're lucky. There are too many children out there with unstable living situations, or limited access to technology to make virtual schooling work. Quarantined-at-home education isn't an "equalizer"; it's quite the contrary, penalizing the same students habitually penalized by an imbalanced system.

We're fortunate. I'm grateful. Let me tell you how virtual school works in my home. My wife and I wake up in the morning, make the kids' breakfast, and then start yelling at them to get dressed for virtual school. I call this "opening yell." Then the kids run around for 20 minutes ignoring everything we say.

After that, it's time for "morning meetings," aka group Zoom calls with their respective classes. I don't know if you've ever been on a Zoom call with 20 pre-K students, but it's the most adorable thing I've ever seen, and I've seen baby pandas on YouTube. You've got a screen full of kids, half of them still eating breakfast in their unicorn pajamas, cross-talking and howling at each other ("I had pancakes!") until the teacher can't take it anymore, and mutes them all. Then they begin their



Anyone? Jason Gay is finding out what many teachers already know—getting students to pay attention is hard work.

school day, talking about quantum physics or magical llamas or whatever 5-year-olds talk about.

You need to keep an eye on your children during school Zoom calls. A couple of weeks ago, I left the 7-year-old alone in his morning meeting, and when I returned, he grandly announced that he had taken out his pet gecko and fed it a live cricket while his entire first-grade class watched. I do not know if he was telling the truth, because 7-year-olds have been known to be fabulists. If he was telling the truth, however, he probably has sewn up the election for second-grade class president.

Eventually, things settle down, and we focus on the lessons of the day. I don't want to sell my kids short—they're both lovely, intelligent children, probably the most lovely, intelligent children in the history of the planet, and in no way am I biased, it's simply a fact. They're just stuck with a crummy teacher. When I can get them to lock in, they ace the work. The first-grader has iPad-based assign-

ments, which means he gets to use the iPad. He can't believe his luck. He acts like he found \$10,000 in a shoebox.

I admit: There have been moments when he has darted off before finishing the final problem, and I'm sitting there, with the iPad, fairly certain of the answer to 10 minus 3, and I think *Oh, who would be the wiser, if I just finished this up?* But it's a slippery slope: answer a first-grader's math question one day, and then you're hiring a landscape architect to build them a volcano for science class, and from there, it isn't that long a road to photoshopping their head atop a rower's body for a college application, and getting raided by the FBI and winding up in the slammer.

I leave it unfinished. But I know the answer.

Six.
Seven.
San F-r-a-n-c-i-s-c-o. Not San F-r-a-n-s-i-s-c-o.

Teachers are miracles. I know there are some cranks out there who think teachers are just slapping

together e-homework and calling it a day, but that's pure nonsense. The effort required to move an entire curriculum from a live classroom online—in a matter of days—is astonishing. I know, because it's happening in the other room. And at night. And in the a.m. And on the weekends. It never stops.

We're doing the best we can. Early on, I tried so hard to avoid descending into chaos, that helpless feeling of: the wheels have come off. But the longer this goes on, the more I realize: the wheels are always off. That's the status quo of quarantine—along with the endless, dull anxiety of a spring gone sideways. I've learned to appreciate those moments that happen once in a while, when the children are engaged and learning, figuring it out independently, and there's a brief period of feeling OK about the world. The wheels have briefly come on. A minute later, it's back to the chaos, and that's fine. I'm no teacher, but after the past month we've all had, I figure chaos is a learning experience, too.

OPINION

REVIEW & OUTLOOK

The Chief Justice Ducks on Gun Rights

What an enormous abdication. The Supreme Court ducked its first Second Amendment case in a decade on Monday, and the only plausible explanation is that Chief Justice John Roberts wanted to avoid becoming a target of vengeful Senate Democrats.

In an unsigned per curiam opinion, the Chief joined the four liberals and a (conflicted) Justice Brett Kavanaugh in declaring moot a challenge to New York City's onerous gun regulation (*New York State Rifle & Pistol Association v. City of New York*). At issue is a New York City rule that prevents residents with gun licenses from transporting their guns from their city homes to shooting ranges and homes outside the city. Obtaining even a "premises" license requires a \$431 fee and police investigation into an applicant's mental health, criminal history and moral character. It can take six months.

After the High Court accepted the case, the city revised its ban to let the plaintiffs tote their guns (locked and unloaded) "directly" between residences and other permitted destinations. The state Legislature passed a similar law. Case moot, New York politicians declared.

Rhode Island Senator Sheldon Whitehouse and four other Democrats also weighed in with an amicus brief threatening the Justices if they didn't follow their orders to drop the case. "The Supreme Court is not well," they wrote. "Perhaps the Court can heal itself before the public demands it be 'restructured in order to reduce the influence of politics.'"

The majority buckled and ignored previous rulings to do it. As Justice Alito writes, the Court's precedents hold that "a case 'becomes moot only when it is impossible for a court to grant any effectual relief whatever to the prevailing party.'" Plaintiffs want to transport their

firearms without worrying about getting arrested if they stop somewhere along the way. The city even admitted in oral arguments that it's unclear whether this is allowed. Justice Alito says this and more make the rule's violation of the Second Amendment "not a close call."

The Court majority cowers to Senate Democratic threats.

Justice Kavanaugh's role here is curious because, while he joined the majority on mootness, he wrote a concurrence agreeing with the dissent on the Second Amendment merits. This looks to us as if he is trying to protect the Chief Justice from being the fifth vote, and the sole "conservative," providing a liberal victory while making clear he's still a solid vote himself for gun rights. The phrase for this is too clever by half.

Justice Kavanaugh may agree with the Chief that the Court needs to avoid political controversies, especially with Democrats threatening to pack the Court if they win the White House and Senate in November. But the Court's timidity on gun rights amid Senate threats means that liberal and media intimidation will escalate. The Court hasn't taken a Second Amendment case in a decade, even as cities and states erode its landmark *Heller* decision bit by bit. The Court is sending a signal that the Second Amendment is the exception in the Bill of Rights, a second-class freedom.

"By incorrectly dismissing this case as moot, the Court permits our docket to be manipulated in a way that should not be countenanced," Justice Alito warns. He's right but too polite.

The Chief Justice is carving out a reputation as a highly political Justice whose views on the law can be coerced with threats to the Court's "independence." The danger for the Court is that, in bending to these threats, the Chief is compromising the very independence he claims to want to protect.

ObamaCare's Latest Taxpayer Beating

The Affordable Care Act has cost taxpayers a bundle, and now the Supreme Court says they are on the hook for billions of dollars in additional payments to insurers even though Congress never appropriated the money. The ruling will be even more expensive if it encourages more lawsuit demands for unappropriated funds from other statutes.

That's the meaning of Monday's 8-1 ruling upholding payments to health insurers for so-called risk corridors in ObamaCare's first three years (*Maine Community Health Options v. U.S.*). Congress created the scheme to lure insurers to offer policies in the insurance exchanges, promising to make up for losses resulting from mispricing in the early going. Democrats claimed the program would pay for itself because the payments would come from other insurers that made money.

That would be no, Speaker Pelosi. Many insurers tried to attract customers by offering cheap plans that lost money. Over three years the risk-corridor plan was \$12 billion in the hole. Meanwhile, Republicans won the House in 2010 and refused to appropriate the money to make up for those insurance losses.

They called it a "bailout" for insurance companies, and attached language in spending bills that barred the Obama Administration from making risk-corridor payments despite language in ObamaCare saying the Secretary of HHS "shall pay" to insurers that lost money.

The Supreme Court says Congress must pay for risk-corridor losses.

The insurers sued, and now comes the Supreme Court to say they are owed the money because Congress created an "implied" right of action in ObamaCare. This is a slippery subject because the Court has recently been reluctant to read implied rights of action into law unless Congress has been explicit. Justice Samuel Alito makes this good point in his lonely dissent, and you can bet other potential litigants will be scouring other laws for "shall pay" language to sue over.

Congress writes laws all the time that authorize payments for this or that purpose only to decide later to appropriate less money or none at all in any given year. The appropriation power controls in the end, and the Constitution says no money shall be spent unless Congress appropriates it. The executive has no power to spend money without Congressional approval, as Democrats have been lecturing us about President Trump's "emergency" spending for the Mexico border wall.

Let's hope the Court is reading this as a narrow one-time exception to its implied-right wariness. As Chief Justice John Roberts well knows, ObamaCare seems to invite legal exceptions and invented jurisprudence. Justice Alito strikes us as having the stronger legal argument, but the majority doesn't agree and now taxpayers will pay for another ObamaCare provision that had to pass before we found out what was really in it.

The Central Bank That Ate Japan

This is a busy week in central banking with meetings at the Bank of Japan, the Federal Reserve and European Central Bank. Thank Tokyo for going first, and delivering a warning about the limits, and dangers, of firing monetary bazookas at the coronavirus crisis.

The Bank of Japan unveiled a raft of new measures Monday. Governor Haruhiko Kuroda will buy government bonds in unlimited quantities, up from an annual cap of ¥80 trillion (\$746 billion). The BOJ also increased its limits on purchases of longer-term corporate bonds and short-term commercial paper by ¥15 trillion, to a total of ¥20 trillion, and doubled its annual limit on purchases of exchange-traded funds and real-estate investment trusts to €12 trillion and €180 billion.

Some of this is jawboning. Unlimited government bond purchases mean little, despite the impending debt issuance to fund Prime Minister Shinzo Abe's new ¥108 trillion spending plan. Under the BOJ's "yield-curve control" policy, Mr. Kuroda already has promised to maintain a short-term policy rate of minus-0.1% and a yield of zero on 10-year government bonds. Since no investor bets against the BOJ, Mr. Kuroda didn't need to fill his purchase quota before and probably won't need to buy more now.

But the expanded purchases of corporate debt and equities are real, and a major problem. The BOJ already owns an outsize portion of listed equity in Japan via the decade-old ETF purchase program, and we warned last month that this distorts prices by encouraging investors to bet on the central bank rather than corporate managers or the economy.

Now the central bank plans to gobble up the corporate debt market, too. The new limit on commercial paper amounts to about 45%

of outstanding debt in that market, and the BOJ is pledging to buy some 15% of longer-term corporate bonds. Oh, and the BOJ also will buy as much as 50% of any company's commercial paper and 30% of its bonds up to caps of ¥500 billion and ¥300 billion.

Japan has avoided a liquidity crisis in the wake of Covid-19 and Mr. Kuroda should aim to keep it that way. But companies everywhere face serious questions about how to prepare for a post-pandemic world of adapting supply chains and social distancing. Private investors help guide this process with the signals they send about their willingness to buy stocks or lend money at a given price or yield.

Mr. Kuroda says his move is a response to increased funding pressures for Japanese companies. But those pressures aren't pressing in absolute terms and may be more market signal than market panic. The average yield on three-month commercial paper hit a recent peak of 0.65% earlier this month—up from zero in March but hardly extortionate by historical standards. Toyota is issuing three-year bonds with a 0.19% coupon, the Journal reported last week. That can seem high only by comparison to the 0.001% it paid in October.

Central banks justify these interventions as averting liquidity panics amid government-mandated economic shutdowns. But the more adventurous they become, the more they blur the line between market stabilization and market suffocation. Investors can play a critical role in guiding companies emerging from this crisis. As the emergency enters a new phase and businesses try to recover from the pandemic disaster, central banks need to make sure private investors still are driving the market.

LETTERS TO THE EDITOR

Medicare for More Works Well for Democrats

Regarding Benedic Ippolito and Chris Pope's "Joe Biden's Medicare for More Mistake" (op-ed, April 17): Democrats intent on expanding Medicare are unlikely to pay a political price for helping mostly well-off baby boomers. If they were playing a game of health-care checkers, it might not make sense to fight for Medicare eligibility at age 60, but in a longer game of chess, the new five-year tranche of Medicare-eligible Americans has only a political upside. Medicare for All in 2020 is still too threatening to seniors now dependent on Medicare, but the modest eligibility-age change is incremental and politically feasible.

ObamaCare was sold as a starter home for a public-option mansion and Medicare at 60 is an addition. More important, the private-insurance house becomes even less affordable, with fewer tenants helping to pay the mortgage. As the authors note: "Hospitals now are effectively required to treat Medicare enrollees at rates averaging 59% less than what hospitals receive from employer-sponsored insurance plans. In 2015, adults 60 to 65 accounted for 6% of the U.S. population but 17% of costs paid by private insurers." Carve that demographic group out of the private market and hospitals will need to get an even higher portion of costs paid by those not yet in Medicare.

The left's goal is to chip away at the private market until companies and employees cry Uncle Sam. If age

60 doesn't make the private system unsustainable, the age can be lowered to 55. Even though most initial beneficiaries of a drop in Medicare's eligibility age aren't poor and uninsured, Democrats can accept that somewhat unpleasant reality on the way toward a Medicare for All checkmate.

JOHN FINLEY
Hampton, Va.

There are many people between the ages of 60 and 65 who would like to retire but cannot because they would lose their health insurance.

DAVID KAHN
Stony Brook, N.Y.

Do the authors have employer-sponsored health coverage? Like many people, I lost my job at age 60, five years after breast cancer. Since then I have been working as an independent contractor, like many people my age, and have to pay \$1,100 a month for health insurance, with a \$5,500 deductible.

We need health care for all, like France, with the ability to get private-care insurance at a minimal cost if one wants it.

Have you ever considered that many people in my age bracket (60-64) don't have a choice other than to pay high premiums like I do? After all, the number one cause of bankruptcy in the U.S. is health care.

LILLIAN HARRISON
Miami

On Interruption Insurance and Contract Law

Chubb CEO Evan G. Greenberg's analysis of business interruption coverage is based on acceptance of the right of contracting parties to allocate responsibility for risks ("What Won't Cure Corona: Lawsuits," op-ed, April 22). Legislation to reallocate covered risks after an uncovered event has occurred is like permitting a mortgage company to increase the interest rate on a fixed-term loan because it needs capital. Legislators and courts have historically often ignored Article I of the Constitution's limitation on impairment of contract rights in favor of social engineering that is very often misguided, ineffective and more costly than the problems to be fixed. Don't legislate private parties' allocation of risks. Also, our common-law English ancestors imposed all litigation costs—including attorney fees—on the losing party in the lawsuit, providing a market-based yellow light on filing frivolous lawsuits.

A Chinese lab or wet market caused the trillions of dollars of damages we face from the coronavirus, not the insurance companies being asked to pay damages.

DAVID LAUFER
CEO, Laufer Insurance Services
Oxnard, Calif.

There is another question of liability protection for businesses as America reopens. Unlike insurance, this is a prospective question not for the courts, but for Congress, which has yet to act.

Businesses such as airlines, res-

taurants, amusement parks, sports franchises, gyms, barber shops, eaters and concert venues won't be able to reopen without protection from coronavirus liability.

Measures like temperature taking, immunity certificates, testing and contact tracing don't work in a commercial setting. Testing is notoriously unreliable and lacks lasting validity. Immunity certificates affix a stigma of inferiority to people in perfect health simply because they have not produced antibodies (arising from the infection). Contact tracing is downright creepy. Making customers occupy every third seat or table won't work for most businesses. But trial lawyers will find fault with any business that doesn't do these things.

Trial lawyers will push back against liability limitations in the name of public safety. To qualify for immunity, businesses should be required to disclose these risks conspicuously and to make them part of the terms of admission.

No one is forcing any at-risk person to visit Disney World or attend a Major League Baseball game. But this doesn't mean the entire public should be denied this freedom, which is what will happen if businesses are required to test their customers and physically distance them. Health care is principally the responsibility of informed individuals acting in their best interest, not the state and not trial lawyers. We all suffer if Congress fails to act.

CREIGHTON MELAND
Hinsdale, Ill.

Think Carefully Before Remaking the USMC

Regarding your editorial "Detering China on a Coronavirus Budget" (April 11): The concept of prepositioning small Marine units with rockets along a defensive line east of China creates a vulnerability to surprise attack by massed Chinese missiles against lightly defended units. A unit of 50 to 100 Marines is more of a reconnaissance unit designed to observe and report but not engage superior enemy forces. If the Marines possess a great number of rockets, they'll be easier to locate. If they keep the numbers small, they'll rely on resupply and be easier to locate. Gen. David Berger wants Tomahawk missiles which are a complex system normally launched from submarines, ships and large aircraft.

Your editorial points out once the Marines established a significant foothold on Pacific islands during World War II, they were difficult to dislodge. With the exception of Guadalcanal, the U.S. Navy eventually became an overwhelming air and surface force the Japanese could not beat. If you go back to the start of the Pacific War, a coordinated Japanese attack on islands resulted in the loss of Wake, Guam, the Philippines and the Dutch East Indies.

COL. ALAN B. WILL, USMC (RET.)
Suffolk, Va.

It is important to note that Gen. Berger has warned of the need to do extensive additional modeling and

exercising before fully adopting the new concept. There are sound reasons to question the proposed redesign.

The one enduring lesson of the U.S. deterrence strategy of the past 75 years is that designing the military around a single contingency, in this case a major war with China, has always been a mistake. When this error is compounded by building the new force on small units with limited firepower that are only relevant to the first salvo of that war, you have a recipe for disaster. These units will have little capacity for self-defense and are likely to be brushed aside by the amphibious forces China will have a decade hence.

DANIEL GOURE
The Lexington Institute
Arlington, Va.

Pepper ... And Salt

THE WALL STREET JOURNAL



"Instead of swamp, think wetland."

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WORLD NEWS

Twin Shocks Roil Nigeria Economy

Africa's largest crude producer struggles amid oil-price plunge, fallout from outbreak

By JOE PARKINSON
AND BENOIT FAUCON

The crash in oil prices and the economic fallout from the coronavirus together pose what could be an existential threat for Africa's largest economy and biggest crude producer.

Nigeria, a country of 200 million people, is slashing production faster than any other major oil economy following the precipitous plunge in global prices. Cargo ships full of Nigerian crude have nowhere to go, with much of the world on lockdown. Nigerian oil companies are desperately competing to fill the last few empty tankers still left at sea.

The result is a twin shock for an economy that has become a symbol of how virus-induced economic pain is now cascading from wealthy nations to the developing world.

"When there's no more vessels to load the crude, then the entire world collapses," said Kola Karim, chairman of Shoreline, Nigeria's third-largest oil producer. "You will have serious, serious security implications. Unrest."

Across the global south, the sequencing of the virus has been inverted, with countries in Africa, South Asia and Latin America suffering an economic crisis before an exponential rise in virus cases. Dozens of developing nations are now forecast to suffer their greatest economic declines on record despite having relatively few confirmed coronavirus cases.

In Nigeria, where oil accounts for 60% of government revenue and 90% of foreign exchange, the government has already slashed its 2020 budget by \$5 billion and approached the In-



A Nigerian soldier observes temperature checks at the border between Abuja and Nasarawa.

ternational Monetary Fund for \$7 billion in emergency funding. Nigeria's break-even oil price is \$133, the highest in the world due to high refining costs and government corruption, according to Fitch Ratings. Now, with prices for several oil benchmarks having fallen below zero, Nigeria is generating losses for every barrel it produces.

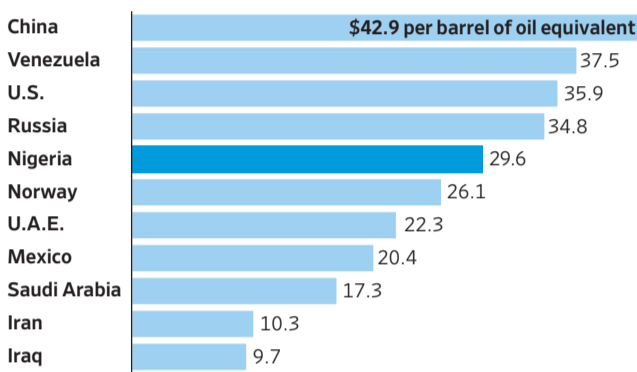
At least seven vessels carrying 12 million barrels of unsold Nigerian oil—seven days of production—are currently stranded at sea, according to data-analytics company Vortexa. The tankers come from production from fields run by Royal Dutch Shell PLC and Exxon Mobil Corp.

But stopping the pumps is also risky, industry experts say, because some wells are too old to be restarted once they go idle. Once it runs out of ships willing to collect its crude, it may be forced to permanently close the taps on decades-old wells.

"Nigeria is a drug addict about to go cold turkey," said

While producers all over the world are hit by the oil rout, Nigeria is an outlier in the global oil market: an oil-dependent economy with the production costs of an industrialized nation.

Average 2019 cash costs for oil fields for selected oil-producing countries



Note: Cash costs includes all costs (investments, operational costs) and gross taxes
Source: Rystad Energy UCube

Matthew Page, a former state department official in Nigeria now at London-based think tank Chatham House. "Its governmental structures, predicated on dividing up the national cake of petroleum revenues, are now unsustainable."

While producers are hit by the oil rout, Nigeria is an outlier in the global oil market: an oil-dependent economy with the production costs of an industrialized nation.

Oil Minister Timipre Sylva said in an interview that Nige-

Another Day Passes With Kim Not Seen

By TIMOTHY W. MARTIN
AND ANDREW JEONG

SEOUL—North Korean dictator Kim Jong Un remained absent Monday, as state media reported his thank-you letter to construction workers and Seoul officials reasserted that they believe he is alive.

Mr. Kim hasn't been seen in public since April 11, generating rampant speculation that he may be incapacitated or dead.

South Korean President Moon Jae-in, delivering remarks to senior aides on the second anniversary of his first inter-Korean summit with Mr. Kim, didn't mention his counterpart's health. Instead he said he would rely on his "trusted" relationship with Mr. Kim as a springboard for advancing joint railway and health-care projects by the long-hostile neighbors.

In the past day, a senior Moon administration adviser told Fox News that Mr. Kim is "alive and well," while South Korea's unification minister said there were no signs of the kind of activity that would be expected if he had died: "We have enough intel to confidently say there are no unusual movements in North Korea."

The speculation about Mr. Kim's health began when he failed to show for a nationally broadcast April 15 celebration marking the birth anniversary of his grandfather, North Korean founder Kim Il Sung—a major holiday. But his sister and uncle also were absent.

Until then, state media this year had covered at least 17 appearances by Mr. Kim, from visiting a fertilizer factory to observing weapons launches to attending a hospital groundbreaking. But there have been gaps: Over a period of about three weeks in January and February, neither the country's main newspaper, Rodong Sinmun, nor the state-run Korean Central News Agency ran photographs of him in public.

The speculative cascade intensified after an April 20 report by the Seoul-based Daily NK—which says it has sources inside North Korea—that Mr. Kim is recovering from heart surgery. Subsequent reports have had him in a coma or even dead. Others have suggested Mr. Kim is simply lying low to avoid the coronavirus.

On Monday, Mr. Kim's message of thanks to construction workers building a beach resort in the Wonsan area was covered both by Rodong Sinmun and the state broadcaster. But there were neither photos nor any mention that he had addressed the workers in person.

Iran-Tied Groups Seek Lift in Health Effort

By ISABEL COLES
AND NAZIH OSSEIRAN

Iran-backed groups in Lebanon and Iraq have mounted highly publicized campaigns against the new coronavirus as they seek to bolster their reputations and regain their footing after coming under pressure from popular protests.

Outbreaks in the two countries are small so far, at least according to official figures, and government health systems have so far managed to treat the sick. Many of the initial cases in Lebanon and Iraq, and much of the Mideast, trace back to travelers from Iran, the regional epicenter of the pandemic.

Still, Hezbollah and Iraqi groups supported by Tehran

have gone into overdrive, setting up field hospitals and launching Covid-19-awareness drives, showcasing their organizational strength.

Their efforts have added capacity to fragile health-care systems degraded by years of conflict and bad governance that critics say these Iranian-backed groups have helped perpetuate.

"It is useful that we feel ourselves part of a world war against the coronavirus," Hezbollah leader Hassan Nasrallah said in March.

Some of Hezbollah's political rivals have sought to blame the Shiite group for bringing the virus to Lebanon. The group says it has been testing and quarantining personnel

who have moved among Lebanon, Syria, Iraq and Iran.

Lebanon has recorded roughly 700 officially confirmed cases and 22 deaths, though in reality those numbers are likely to be higher, given limits to testing. The country next week plans to begin easing a lockdown that has compounded a deep economic crisis.

Coronavirus cases are treated in Lebanon's main government hospital in Beirut. The country's past two health ministers have been appointed by Hezbollah, and the current government is exclusively made up of the group and its allies.

Though Hezbollah controls the government, it deploys its own infrastructure. It says it has prepared 32 medical

centers and two field hospitals in the wide swath of the country where it is the de facto administration and provides health-care services. The group said it has mobilized 1,500 doctors and 3,000 nurses.

Hezbollah "is very effective," said a doctor based in Lebanon who has consulted for the government during the coronavirus pandemic. "They have places where you can put in patients and screen them and treat them, and that is what the government should be doing in other areas."

In Iraq, Iranian-backed militias are accused of involvement in a violent crackdown by security forces that killed more than 500 people, according to the country's human-

rights commission.

Now the same groups, known as the Popular Mobilization Forces or PMF, are using slick promotional videos to advertise their public-health efforts.

Kataib Hezbollah, which the U.S. blames for a spate of deadly rocket attacks targeting its troops, is among the groups to have opened field hospitals.

Iraqi Health Ministry spokesman Saif al-Badr said the PMF had provided logistical support and helped the public realize the danger posed by the coronavirus.

"Any logistical help from any side is appreciated," said Haider Ali Hantoush, a physician who heads the public-health section in the Dhi Qar governorate south of Baghdad.

WORLD WATCH

SYRIA

Israeli Strike Kills 4 Gunmen, 3 Civilians

Israeli warplanes flying over Lebanon fired missiles toward areas near Damascus early Monday, killing three civilians, the Syrian military and state media said. A war-monitoring group said four Iran-backed fighters also were killed.

The military said Syrian air defenses shot down some of the missiles in the attack. The Britain-based Syrian Observatory for Human Rights said the missiles hit positions belonging to Iran and its regional proxies, killing four fighters and causing damage south of Damascus. It didn't give the nationalities of the dead gunmen, only saying they weren't Syrians or members of Lebanon's Hezbollah group.

The airstrike is the fourth in Syria in less than a month and comes amid rising tensions between Israel and Lebanon's militant Hezbollah group.

The Syrian military statement gave no other details about the attack or what it targeted specifically. Syria's state SANA news agency said shrapnel from the Israeli missiles hit homes in the Damascus suburbs of Hajira and Adlieh, killing three people there and wounding four.

Israel didn't comment on the Syrian report. In the past, Israel has acknowledged carrying out scores of airstrikes over the years.

—Associated Press



POWER WOES: A damaged pylon on the outskirts of Kabul, Afghanistan. The capital city has experienced severe power cuts after militants recently bombed equipment.

UNITED KINGDOM

Back at Work, Leader Encourages Patience

Prime Minister Boris Johnson urged his nation to be patient Monday, arguing that easing social and economic restrictions too soon would create a second deadly rise of coronavirus infections.

On his first day back at work in three weeks after a bout of Covid-19 that left him dangerously ill, Mr. Johnson said Britain had

reached the moment of "maximum risk" in its outbreak. He said the nation was reaching "the end of the first phase of this conflict" but warned that a quick end to the shutdown set to last at least until May 7 isn't in sight.

"I refuse to throw away all the effort and the sacrifice of the British people and to risk a second major outbreak," Mr. Johnson said, who appeared thinner but better-rested than when he was last seen in public early this month.

As of Monday, Britain had re-

corded 21,092 deaths among people hospitalized with Covid-19, the fifth country in the world to surpass 20,000 deaths. Thousands more are thought to have died in nursing homes.

—Associated Press

YEMEN

Separatists Urged To Honor Riyadh Deal

A Saudi-led coalition mired in a yearslong war in Yemen on

Monday urged Emirati-backed southern separatists to honor the terms of a Riyadh peace deal and share control of the port city of Aden with the country's internationally recognized government.

The statement by Saudi Arabia comes after the separatists' Southern Transitional Council again claimed sole control on Sunday of Aden, a Red Sea port that serves as the seat of the internationally recognized government as Yemen's Shiite rebels,

known as Houthis, hold the country's capital, Sana'a. The statement didn't say what Saudi Arabia would do if the council refused.

The council's decision adds more complexity to the grinding war in Yemen that has pushed the Arab world's poorest nation to the brink of famine and killed more than 100,000 people.

The Yemeni Foreign Ministry on Monday urged the transitional council to heed the coalition's statement.

—Associated Press

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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Companies Face Wave of Distress

By MIRIAM GOTTFRIED

The economic earthquake the coronavirus has unleashed is likely to trigger a wave of corporate distress and bankruptcy unseen in years.

Stay-at-home orders and the shutdown of nonessential businesses have driven broad swaths of the U.S. economy into panic mode, ending a long period of calm as markets rose and cheap capital abounded. In industries that were already in a precarious position before the crisis, including retail and energy, the pandemic has tipped many companies over the edge. A host of oil companies have sought chapter 11 protection, while J.C. Penney Co. and Neiman Marcus Group Inc. are expected to file for bankruptcy soon.

Companies in areas that were previously stable, such as the automotive, travel and leisure industries—and even health care—may soon face similar pressures.

U.S. corporate debt downgraded to selective default, meaning a borrower has failed to meet one or more of its obligations, totaled \$64.1 billion for the 12 months ended April 17, according to S&P Global Ratings. That represents only a slight uptick over the pace at the end of January, but the numbers are about to get a lot more bleak.

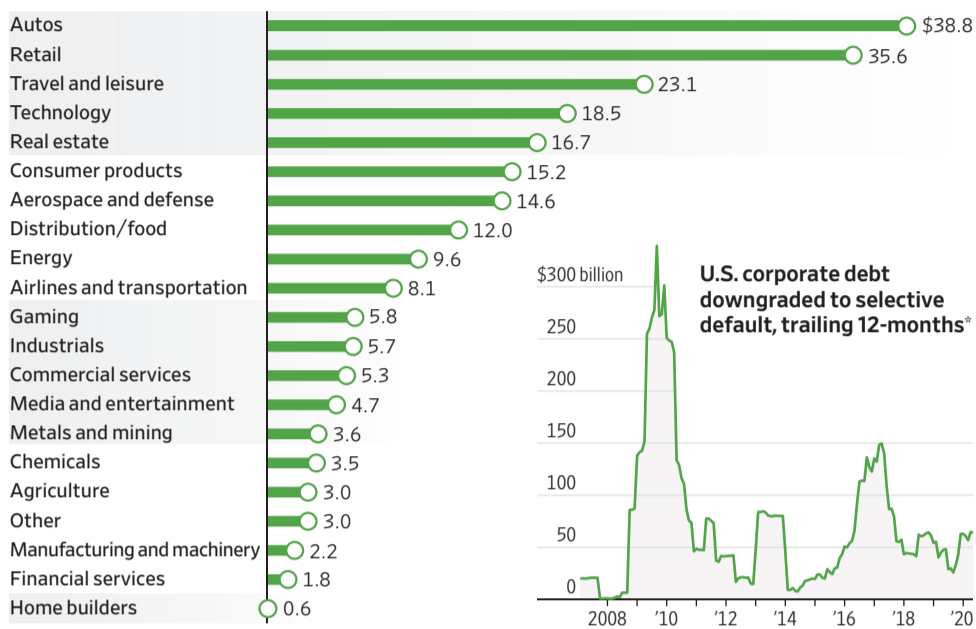
In the coming months, that figure could top the roughly \$340 billion reached at the height of the financial crisis, according to the worst-case-scenario estimates from S&P. Even in a less-grim scenario, the figure could approach levels reached after the dot-com bust in the early 2000s.

Companies of all stripes are scrambling to avoid a reorganization of their capital structures and operations, default or bankruptcy. Many have tapped lines of credit and slashed costs. Many, such as Carnival Corp., Expedia Group

Please turn to page B2

U.S. companies borrowed around \$230 billion from revolving lines of credit between March 1 and April 9.

Drawdowns by sector, in billions



*Through April 17

Sources: Goldman Sachs (drawdowns); S&P Global Ratings (debt)



Apple Slows New iPhone Output

By YOKO KUBOTA

Apple Inc. is pushing back the production ramp-up of its flagship iPhones coming later this year by about a month, according to people familiar with the changes, as the coronavirus pandemic weakens global consumer demand and disrupts manufacturing across Asia, the heart of the consumer electronics supply chain.

Apple is forging ahead with plans to release four new iPhone models later this year, people familiar with its plans say. The phones, some with 5G connectivity, will vary in price and come in three sizes—5.4 inches, two measuring 6.1 inches, and one at 6.7 inches, all featuring organic light-emitting diode, or OLED, screens, the people said.

Apple's annual product refresh fuels the majority of iPhone sales for an entire year, making new phones the linchpin of a business segment that accounts for more than half of the company's total revenue.

Investor anticipation for this year's 5G release helped send Apple shares to record highs before the pandemic hit, as analysts predicted the devices would lift a mature product line that last year failed to ship more than 200 million units for the first time since 2015.

Apple declined to comment. Apple usually unveils new iPhone models in mid-September and begins selling them before the end of the month. To do so, it usually ramps up mass-production in the early summer, building up inventory around August.

This year, while Apple would still be building some of the new phones in the July-to-September period, the mass-production ramp-up will slide back by about a month, the people said.

Apple is slashing the number of handsets that it plans to make in the second half of this year by as much as 20%, one of the people said. It isn't clear whether the slashed amount for 2020 would be pushed back into 2021 for manufacturing.

The Cupertino, Calif., tech giant is set to report quarterly earnings on Thursday.

Meanwhile, Foxconn Technology Group—Apple's biggest supplier and a major assembler of iPhones in China—has halted hiring at its main iPhone plant in Zhengzhou in recent weeks, according to people involved in the company.

Please turn to page B4

Overcrowded Barns Hamper Pork Industry

By JACOB BUNGE AND KIRK MALTAIS

The U.S. pork industry and agricultural regulators are discussing the prospect of euthanizing thousands of pigs, after coronavirus outbreaks closed major processing plants.

The U.S. pork industry typically slaughters around 510,000 pigs daily for bacon, hams and sausage. Covid-19 outbreaks among plant workers have forced closures of facilities that typically process roughly one-fifth of the daily total, or 105,000 pigs a day, leading to a backup on farms and raising the prospect of having to euthanize them and then render or bury the carcasses.

"It's happening across the state," said Mike Naig, agriculture secretary for Iowa, which produces about one-third of U.S. pork. "It's not yet widespread, but there is widespread planning."

While large-scale euthanasia isn't yet taking place, farmers said, options being considered include recruiting skeleton crews to operate closed pork plants' kill lines, or finding empty buildings where hogs can be put down with carbon dioxide gas.

As farmers accumulate thousands of hogs that have nowhere to go, they risk overcrowding barns that are due to take deliveries of new piglets in the near future. Euthanasia is the most humane option in some cases, said a spokesman for the National Pork Producers Council.



U.S. livestock and poultry production was already high headed into the coronavirus pandemic. A hog farm in Minnesota.

"We're facing gut-wrenching, never-before-seen kind of decisions," said Gene Noem, who finishes hogs in Howard County, Iowa, and serves as treasurer of the National Pork Board. Mr. Noem doesn't have to immediately look into disposing of his excess hogs at his 5,000-head farm because they aren't yet full size, he said.

The crisis for pork producers is deepening, with Smithfield Foods Inc., Tyson Foods Inc., and JBS USA Holdings Inc. among the major meatpackers to temporarily close plants after workers contracted Covid-19. Others plants have been forced to process fewer pigs as workers stay home for fear of contracting

the virus.

John Tyson, chairman of Arkansas-based Tyson, on Sunday warned that millions of livestock and poultry would be destroyed due to plant closures, at the same time grocery stores are struggling to replenish meat cases due to plant closures.

"The food supply chain is

breaking," Mr. Tyson wrote in a post on Tyson's website.

U.S. livestock and poultry production was high headed into the coronavirus pandemic, but meatpacking plants—reliant on human labor in sometimes tight quarters—have become bottlenecks for converting animals into food.

Please turn to page B10

Local Newspapers Stumble, Ineligible for Rescue Loans

Seattle Times Co. received a nearly \$10 million loan last week as part of the federal government's rescue program for small businesses. The money is helping the publisher avoid layoffs and payroll cuts for its staff of 700, despite a plunge in advertising revenue during the coronavirus pandemic.

By Keach Hagey, Jeffrey A. Trachtenberg and Lindsay Wise

The Arkansas Democrat-Gazette is in essentially the same financial distress as the Times, with a similar size workforce among its parent's publications. Yet it isn't eligible for the aid and had to furlough or cut pay for 10% of its 900 employees this month.

The reason: its parent company, WEHO Media Inc., has more than 1,000 employees—the Small Business Administration's maximum size for news-

papers to qualify for the forgivable loans.

Across America, most of the newspaper industry is in the same boat as the Democrat-Gazette, while the Times is one of the exceptions. Papers representing more than 80% of U.S. circulation are disqualified from the government's Paycheck Protection Program because of the way their companies are structured, according to data from the Alliance for Audited Media.

The issue has prompted a bipartisan push in Congress to either amend PPP rules to make an exception for local news, or get news organizations other forms of aid in the next stimulus bill.

"Without it, you are going to see a significant number of newspapers closing," said Seattle Times Co. President Alan Fisco.

The steps many struggling papers took over the past 15 years to stay afloat—round af-

ter round of mergers and consolidation, selling to private-equity buyers, taking on mountains of debt—now prevent the industry from getting meaningful federal help.

While many local papers are now owned by big chains or other conglomerates, they still see themselves as local businesses, staffed by local journalists, reliant on local business for advertising and driven by a mission that advocates say has grown more important during the pandemic.

The thirst for local information during the pandemic has boosted web traffic and subscriptions at many news outlets. But the shuttering of the retail businesses that have long been their biggest advertisers has sent revenue into free fall.

Layoffs, furloughs and pay cuts have affected roughly 33,000 news organization employees nationwide since the start of the crisis, according to

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INSIDE



COMMUTING
Health concerns over public transit are a hurdle to some offices reopening. **B6**



BUSINESS
Luckin Coffee under investigation by China's top commerce regulator. **B5**

Airplane Makers Are Downbeat on Revival

By ANDREW TANGEL AND DOUG CAMERON

Air traffic may not bounce back for two or three years, Boeing Co. Chief Executive David Calhoun said, outlining the tough outlook for global aviation to the plane maker's shareholders on Monday.

"The health crisis is unlike anything we have ever experienced," Mr. Calhoun said at the annual meeting. "It will be years before this returns to pre-pandemic levels."

Mr. Calhoun laid out the coronavirus pandemic's toll on the industry: Global airline revenues are set to drop by \$314 billion this year. In the U.S., more than 2,800 planes are idled. Passenger demand is down 95% from last year.

"We are in an unpredictable and fast-changing environment, and it is difficult to estimate when the situation will stabilize," he added. "But when it does, the commercial market will be smaller and our cus-

tomers' needs will be different."

Mr. Calhoun offered few specifics about production cuts or planned job cuts, leaving more details for Wednesday, when Boeing reports first-quarter results. Boeing has been weighing production cuts and considering a plan to cut its workforce by about 10%.

To save cash, Boeing has suspended its dividend, and Mr. Calhoun said it wouldn't resume paying one for some years. The plane maker will need to borrow again this year, and it will need to repay that debt over the next three to five years, he said.

The Chicago aerospace giant's customers have been canceling and deferring plane orders, intensifying financial strains stemming from the 737 MAX debacle following the global grounding of that air-

Please turn to page B2

◆ GE's dependence on aviation undercuts turnaround B2

BUSINESS NEWS

PPG Says Volume of Sales Will Decline

By AUSTEN HUFFORD

PPG Industries Inc. said it expects paint-and-coatings sales volumes to decline by about one-third in its second quarter, with factories closed and people driving and flying less due to the pandemic.

The Pittsburgh maker of paints and coatings for houses, cars and planes on Monday withdrew its guidance for the year. PPG said the pandemic hurt sales by \$225 million in its first quarter, leading sales to fall 6.8% to \$3.38 billion, below what analysts expected. "Our first-quarter results reflect a sudden and wide-ranging deterioration in global demand," Chief Executive Michael McGarry said.

Shares fell 2% after hours. PPG said sales of paint for cars and planes declined as production stopped at major manufacturers. Fewer miles traveled meant less wear and tear on vehicles. Mandated paint store closures in some areas as the virus spread also hurt sales in March, PPG said.

In response to the decline in demand, PPG said it was speeding up cost cuts that would now result in savings of up to \$90 million this year, up from \$75 million expected previously.

PPG also said it had taken out loans to boost its cash position. The company ended March with \$1.9 billion in cash and short-term investments, up from \$1.3 billion at the end of 2019. In April, the company entered into an additional \$1.5 billion credit facility.

PPG reported a profit of \$243 million, or \$1.02 a share, for the quarter, down from \$312 million, or \$1.31 a share, for the same period a year earlier. On an adjusted basis, the company brought in \$1.19 a share in earnings, above the \$1.17 expected by analysts.



People wearing face masks queue to get their temperatures checked before entering a shopping mall in front of a company store in Beijing earlier this month.

Adidas Warns of More Virus Pain

By RUTH BENDER

BERLIN—German sports-gear maker Adidas AG Monday said it expected the coronavirus pandemic to hit sales and profit even harder in the second quarter than the first, painting a picture of a slow recovery for the hard-hit retail industry.

The world's second-largest athletic gear maker by revenue after Nike Inc. posted a 95% drop in profit in the first three months of the year as the pandemic forced it to close stores in China, its biggest individual market, Korea and Japan, before other countries followed with lockdowns in March.

Western consumer companies that have posted earnings in recent weeks have sent mixed messages about the economic reopening in China, with some reporting brisk business there while others, such as Adidas, describe a slow recovery.

With more than 70% of

stores still closed around the world and first trends from China indicating that consumers are dragging their feet after weeks of lockdowns, Adidas warned that the company could suffer even more in the three months through June.

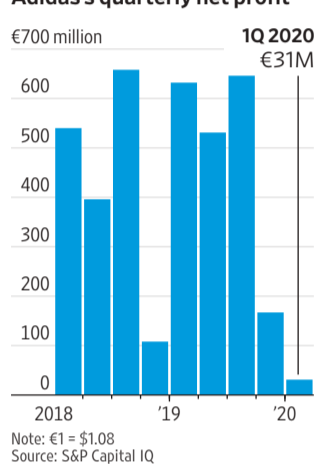
After sales slid 19% to €4.75 billion (\$5.14 billion) in the first quarter, the company predicted they would drop more than 40% in the second quarter, compared with the same period last year.

Net profit, which fell to €31 million in the first quarter, could swing to a loss.

"We're living in unprecedented times, not just for the globe but also for Adidas," Chief Executive Kasper Rorsted told reporters.

Adidas, which has invested heavily in expanding its presence in China in recent years, was among the hardest-hit foreign retailers when the country enforced drastic lockdowns early this year. Sales in Greater China, which make up 23% of Adidas sales, dropped

Adidas's quarterly net profit



58% in the first quarter and Adidas had to take back millions in products to manage inventories, which weighed on profits.

Adidas said traffic to its stores in China was normalizing but that the first weeks after the shutdowns showed that it would take longer for customers to start buying again. The so-called conver-

sion rate—the portion of store visitors who make a purchase—is improving week by week but not yet back to what it was before the shutdowns, said Mr. Rorsted.

"When people have been in quarantine for six or eight weeks, it takes some time for people to return to normal," said the CEO. He is optimistic, though, that China will return to precrisis double-digit growth rates in the second half of the year.

Mr. Rorsted said Adidas was trying to apply what it learned in China to other parts of the world where retailers are expected to open throughout May and June. One lesson is to keep consumers engaged online before stores reopen.

Adidas refrained from providing a full-year outlook, saying there was still too much uncertainty about the pace of reopenings and the speed of the recovery in China. In Europe, only roughly 20 Adidas stores are open again.

In the meantime, Adidas

took steps to ride out the crisis. It got approval for a €2.4 billion government-backed loan earlier this month to shore up its cash reserves.

The company is also investing in online sales, which grew 35% in the first quarter, a sharp rise but not sufficient to offset physical store sales. In most countries on lockdown, it took two to three weeks after store closures for online sales to begin to pick up, Mr. Rorsted said.

E-commerce, he said, would play an even greater role for Adidas after the pandemic. The company has set up a task force to track and hunt digital sales opportunities, is investing in online marketing campaigns and is training additional staff to boost online sales.

Mr. Rorsted said he was confident about Adidas's long-term prospects as consumers wanted to stay fit and healthy through sports. Things should return to normal after a dip in 2020, he said.



The concert promoter's summer season was to have featured tours by stars like Billie Eilish.

Saudis Buy \$500 Million Stake In Events Business Live Nation

By ANNE STEELE

Saudi Arabia's sovereign-wealth fund took a \$500 million stake in Live Nation Entertainment Inc. as the world's largest concert promoter faces a year or more without being able to stage any events.

The Saudi Public Investment Fund disclosed Monday that it has taken a 5.7% stake in the company. Live Nation's stock, which had halved this year, rose 12% on the news to \$42.86.

The investment, which was passive and purchased on the open market, makes the sovereign-wealth fund Live Nation's third-largest shareholder, behind Liberty Media Corp. and the Vanguard Group.

Live Nation had been set to have its best year ever in 2020 amid a booming live-events business.

But it has been particularly exposed amid mandates for lockdowns and social-distancing protocols driven by the coronavirus pandemic. Beyond a decimated summer concert

season—normally the most lucrative time of year—it isn't clear when or how the concert industry might be able to hold events again.

Live Nation, which also owns Ticketmaster, the dominant ticketing provider, has said it has enough cash on hand to last the year.

The company has taken cash-saving measures in recent

The company, which also owns Ticketmaster, is slashing costs.

weeks, reducing top executives' pay by as much as 50%, with Chief Executive Michael Rapino forgoing his full salary. Live Nation has said it also would implement hiring freezes and furloughs, reduce its use of contractors and cut discretionary spending, including on travel, marketing, repairs and maintenance.

Live Nation has faced fans' complaints that their money was tied up in tickets for events that have been postponed but not formally canceled.

The company has introduced a new policy allowing consumers to ask for a refund on any ticket for as many as 30 days after a new date is announced.

On top of the unwieldy challenge of rescheduling thousands of events, the company will also have to wade through a costly refund process.

The investment wasn't directly orchestrated by Live Nation management, according to a person familiar with the matter, and didn't involve the company selling shares to the fund.

Hollywood recently has cooled on cash from Saudi Arabia after the kingdom's role in the 2018 murder of journalist Jamal Khashoggi. Talent firm Endeavor LLC last year said it returned a \$400 million investment from the same fund that took the Live Nation stake.

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BUSINESS NEWS

Bayer Says Roundup Resolution Is Slowed

By RUTH BENDER

BERLIN—Bayer AG's first-quarter profit rose as customers of the German company's farming and drugs businesses stocked up amid the coronavirus pandemic.

But Bayer said the pandemic also slowed progress on resolving its high-stakes legal battle with U.S. plaintiffs alleging the company's Roundup herbicides cause cancer.

Sales increased 4.8% to €12.85 billion (\$13.91 billion), beating analyst expectations. Net profit rose to €1.49 billion from €1.24 billion a year earlier. Bayer said it couldn't predict how the pandemic would affect its business, positively or negatively, over the rest of the year.

Sales at the consumer health unit, which produces aspirin and had been struggling to boost sales in recent years, rose 13.5% in the quarter when stripping out currency changes and the loss in sales from brands sold last year. The anti-coagulant medication Xarelto also continued to drive Bayer's business, with people stocking up.

In the crop science business, which includes recently acquired Monsanto, sales benefited from the advanced purchases of its seeds, fungicides and pesticides in Europe and the Middle East as well as a substantial increase in acreages in the U.S.

Bayer has been negotiating a settlement over the claims that Roundup, which was inherited from Monsanto, cause cancer. The total number of plaintiffs rose to 52,500 as of April 14. Bayer said it would continue to engage in mediation but that now, more than ever, it would be careful about how much it would agree for a settlement, citing a looming recession and liquidity challenges.

Chinese Regulator Raids Luckin

By JING YANG

China's top business and commerce regulator is investigating Luckin Coffee Inc., after the Nasdaq-listed coffee chain revealed that much of its 2019 sales were fabricated and caused losses for many investors.

More than a dozen officers from the country's State Administration for Market Regulation raided Luckin Coffee's headquarters in Xiamen on Sunday, demanding full access to the company's accounts, transaction records and internal systems, according to a person familiar with the matter. The on-site investigation is likely to continue through the week, the person added.

Luckin confirmed the probe Monday, saying in a statement that it is "actively cooperating" with the market regulator and providing information about its business. The company also said its stores across the country are operating normally. The Chinese regulator didn't respond to a request for comment.

The probe into Luckin by one of China's most powerful business regulators marks the most significant action taken so far by Chinese authorities, which earlier this month publicly condemned the upstart coffee chain for its accounting misconduct. It also points to a conundrum facing regulators in both the U.S. and China when it comes to reining in financial misdeeds of U.S.-listed Chinese companies.

Luckin went public on the Nasdaq Stock Market in May 2019 and raised more than \$1.5 billion from investors over the past year, taking advantage of a rising share price that was buoyed in part by its inflated quarterly results. The company disclosed April 2 that as much as 2.2 billion yuan (\$310 million) in sales transactions were fabricated by some employees, and that an internal investigation is being conducted. Its American depository shares have been suspended from trading since April 7.



The coffee chain disclosed April 2 that as much as \$310 million in sales were fabricated by some employees. A store in Beijing.

While the company is listed in the U.S., its holding company is incorporated in the Cayman Islands and most of its operations are in China.

For years, the Securities and Exchange Commission and the Public Company Accounting Oversight Board have been unable to inspect audits of Chinese companies whose securities trade on U.S. stock exchanges. That has prevented them from getting information needed to bring enforcement actions against companies that may have engaged in securities fraud.

In the wake of Luckin's accounting scandal and the disclosure of inaccurate financial statements by another U.S.-listed Chinese company this month, the SEC last week warned investors about the "significant risks" of investing in companies from China and other emerging markets. For such companies, "there is substantially greater risk that disclosures will be incomplete or misleading and, in the event of investor harm, substantially

Short Sellers Scan U.S.-Listed Firms

Numerous U.S.-listed Chinese companies have been targeted in recent years by short sellers critical of the companies' financial reporting. Most of those targeted companies, however, have defended the accuracy of their accounts.

On April 7, New York-listed TAL Education Group, which provides tutoring services to students in China, said it suspected an employee had forged contracts in a business unit that contributed to 3% to 4% of

the company's estimated revenues. TAL said it had turned the employee over to local police. The company's stock has fallen 7.9% since the disclosure.

Luckin shares lost more than 80% of their value—crystallizing more than \$5 billion in investor losses—after the company said April 2 that it had suspended its chief operating officer and several employees for fabricating much of its sales from the second to the fourth quarter of 2019. The company said a special board committee is conducting an independent investigation into the matter together with a law firm and a forensic accounting firm.

less access to recourse, in comparison to U.S. domestic companies," the SEC said.

The probe by China's business regulator was likely in response to the SEC's criticism, as well as an attempt by Beijing to tackle the thorny situation, according to Nana Li, senior re-

search analyst at the Asian Corporate Governance Association in Hong Kong.

The China Securities Regulatory Commission, which regulates listed companies, earlier this month denounced Luckin's misconduct and said it would investigate the company in ac-

cordance with international regulations. The Chinese securities regulator, however, has limited supervisory authority over foreign-listed companies' capital markets activities. It said Monday that it has been in touch with the SEC and PCAOB after Luckin disclosed accounting irregularities.

The State Administration for Market Regulation, on the other hand, regulates the business activities of all companies that operate in China, regardless of their ownership, and oversees issues ranging from approving business licenses to antitrust reviews. It has the authority to impose fines on companies and even revoke business licenses.

The loss-making company was founded in 2017 and expanded rapidly into one of China's largest coffee chains, opening more than 4,500 stores by the end of 2019 and using discounts and scores of mobile coupons to lure customers.

—Zhou Wei
contributed to this article.

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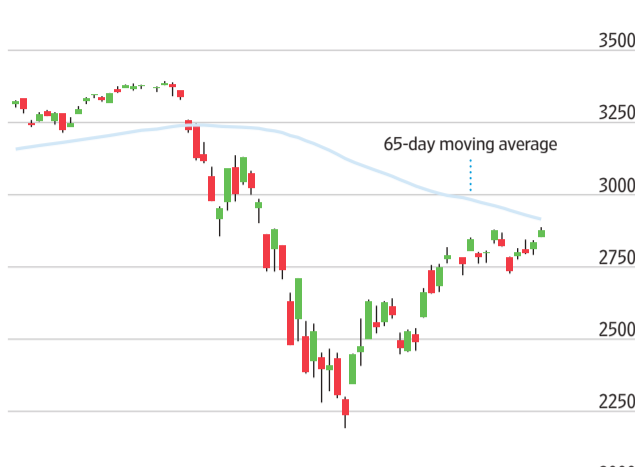
Dow Jones Industrial Average

24133.78 ▲358.51, or 1.51%
High, low, open and close for each trading day of the past three months.



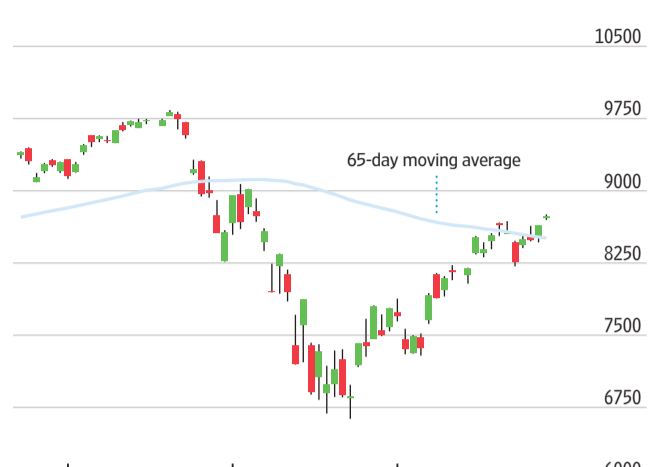
S&P 500 Index

2878.48 ▲41.74, or 1.47%
High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

8730.16 ▲ 95.64, or 1.11%
High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

Table listing various stock market indexes including Dow Jones, Nasdaq Stock Market, S&P, and Other Indexes with columns for High, Low, Latest Close, Net chg, % chg, 52-Week High/Low, and % chg YTD/3-yr. ann.

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6:30 p.m. ET as reported by electronic trading services...

Most-active issues in late trading

Table listing most-active issues in late trading with columns for Company, Symbol, Volume (000), Last, Net chg, After Hours % chg, High, and Low.

Percentage gainers...

Table listing percentage gainers with columns for Company, Symbol, Last, Net chg, After Hours % chg, High, and Low.

Trading Diary

Volume, Advancers, Decliners

Table showing trading statistics: Total volume, Adv. volume, Decl. volume, Issues traded, Advancers, Declines, Unchanged, New highs, New lows, Closing Arms, and Block trades.

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

Table listing international stock indexes by region/country with columns for Index, Close, Net chg, Latest % chg, and YTD % chg.

Percentage Gainers...

Table listing percentage gainers with columns for Company, Symbol, Latest Session Close, Net chg, % chg, High, and 52-Week Low.

Most Active Stocks

Table listing most active stocks with columns for Company, Symbol, Volume (000), % chg from 65-day avg, Latest Session Close, % chg, 52-Week High, and Low.

Percentage Losers

Table listing percentage losers with columns for Company, Symbol, Latest Session Close, Net chg, % chg, High, and 52-Week Low.

Volume Movers

Table listing volume movers ranked by change from 65-day average with columns for Company, Symbol, Volume (000), % chg from 65-day avg, Latest Session Close, % chg, 52-Week High, and Low.

CREDIT MARKETS

Consumer Rates and Returns to Investor

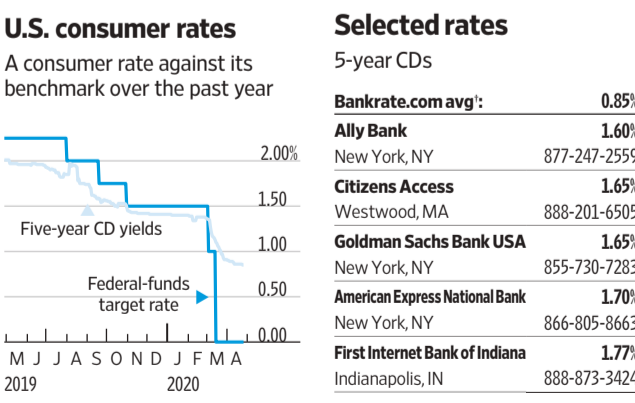
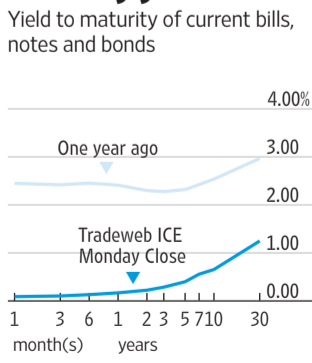


Table showing selected rates for 5-year CDs from various banks like Bankrate.com, Ally Bank, Citizens Access, Goldman Sachs Bank USA, American Express National Bank, and First Internet Bank of Indiana.

Treasury yield curve



Forex Race



Corporate Borrowing Rates and Yields

Table showing corporate borrowing rates and yields for various bond total return indexes like U.S. Treasury, U.S. Treasury Long, Aggregate, Fixed-Rate MBS, High Yield 100, Muni Master, and EMBI Global.

CURRENCIES & COMMODITIES

Currencies

Table showing U.S.-dollar foreign-exchange rates in late New York trading for various countries and currencies.

Commodities

Table showing commodity prices for DJ Commodity, TR/CCRB Index, Crude oil, Natural gas, and Gold.

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.

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.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices per the p.m. the previous day.

Table with columns: Stock, Sym, Close, Chg, Net Chg. Lists top 1000 stocks including ABB, ACADIA, AECOM, AES, Affix, AGNC, Ansys, ASETECH, etc.

Table with columns: Stock, Sym, Close, Chg, Net Chg. Lists top 1000 stocks including GeneralMotors, Genmab, Genpact, Gentex, etc.

Table with columns: Stock, Sym, Close, Chg, Net Chg. Lists top 1000 stocks including GlobaLife, GlobusMedical, GoDaddy, GoldFields, GoldmanSachs, etc.

Table with columns: Stock, Sym, Close, Chg, Net Chg. Lists top 1000 stocks including Graco, Grainger, Grifols, GuardantHealth, Guidewire, etc.

Table with columns: Stock, Sym, Close, Chg, Net Chg. Lists top 1000 stocks including HCA Healthcare, HDFA Bank, HD Supply, HP, etc.

Table with columns: Stock, Sym, Close, Chg, Net Chg. Lists top 1000 stocks including Hologic, Home Depot, HondaMotor, Honeywell, etc.

Table with columns: Stock, Sym, Close, Chg, Net Chg. Lists top 1000 stocks including Humana, Jabil, Jabil Circuit, Jabil Circuit, etc.

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Exchange-Traded Portfolios | WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session

Table with columns: ETF, Symbol, Closing Price, YTD Change, YTD Vol, YTD Div. Lists various ETFs like iShares, SPDR, etc.

New Highs and Lows | WSJ.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session.

Table with columns: Stock, Sym, 52-Week High/Low, Chg. Lists stocks that reached new 52-week highs or lows.

Mutual Funds

Data provided by LIPPER

Due to extreme market activity and delayed reporting of closing prices from the sources, some NAVs may reflect previous day's trading.

Up-to-date mutual-fund data can be found online at WSJMarkets.com.

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Ex-Dividend, f-Previous day's quotation, g-Footnotes x and s apply, j-Footnotes e and s apply, k-Reallocated by Lipper, using updated data, p-Distribution to stocks 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, NF-Fund not tracked, NS-Fund didn't exist at start of period.

Table with columns: Fund, NAV, Chg % YTD, Net YTD Chg % Ret. Lists top 250 mutual funds.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY



Most wind and solar projects are built by utilities and often funded by institutional investors. A solar farm in China.

Green Energy Won't Slip

Lower costs, incentives made wind, solar less susceptible to crude declines

As oil prices spiked in the late 1970s, then-President Carter installed solar panels on the roof of the White House. Historically, expensive crude spurred experiments to develop alternative energy sources and falling prices reversed the trend. But times have changed and today's ultralow oil prices aren't likely to slow the roll out of renewables.

What matters more today may be regulation. How far governments embed environmental priorities into post-Covid recovery plans is a question facing green-minded investors now.

Oil and renewables aren't direct substitutes. Oil is mostly used for transport and heating while renewables produce electricity. But there are crossover areas. Cars can have batteries or combustion engines; heating can be electric or diesel; and power plants can run on wind, solar, coal or natural gas, which is often a byproduct of oil production.

Users have a choice upfront, but once they buy a technology, the fuel is locked in. That makes future price expectations more influential

than spot rates. Wind turbines and solar panels were once expensive and experimental, but thanks in part to state subsidies and incentives, their costs are now comparable to fossil fuels, and expected to keep falling.

For oil producers the relationship is more direct: High prices generate cash for pet projects. European oil majors, such as **Royal Dutch Shell** and **Total**, have recently invested billions of dollars in alternative-energy projects to trial how they might make money in the lower-carbon world envisioned by the Paris climate accord. Such funding is now at risk, but fortunately for the wider sector, the major oil companies represent only a fraction of global investment.

Most wind and solar projects are built by utilities and often funded by yield-hungry institutional investors—insurance companies, pension funds and the like. Renewable investments provide an almost bondlike long-term return. Low interest rates ease initial funding costs, running costs are low and the payback is secured through power-purchase agreements with

local governments, companies and others.

Government incentives were an important support for the industry in the last oil bear market, from 2014 to 2016. Projects can be cost-competitive now without government support, but incentives are still a consideration. Public help will likely be required to roll out electric-vehicle charging networks and the smart electricity grid and power-storage units crucial to letting intermittent renewables generate a greater share of the energy mix.

For renewables investors, there are other risks besides the vagaries of government intervention. New sites can be hard to find—hence the growing popularity of offshore wind farms—power prices fluctuate and buyers must be able to pay over decades. The Covid-19 crisis could make raising debt more expensive, delay projects and clog up international supply chains.

Low crude prices are a recurring disaster for the oil industry. But on its path to maturity the wider renewable sector has developed some immunity. —Rochelle Toplensky

'Frac Holidays' Mean Pain for Oil Sector

Falling activity in U.S. shale puts pressure on service companies like Halliburton and Schlumberger

"Tank tops" and "holidays" may conjure up images of a relaxed summer barbecue, but they mean something altogether less pleasant in America's oil patch.

Last week, energy speculators got roasted by the plunge in U.S. oil futures prices to negative \$40 a barrel as they were forced to take a loss rather than accept physical delivery. Those in the industry already were aware that a crunch was coming.

Cushing, Okla., the delivery point for U.S. crude futures, was "nearing tank tops" in which its 80 million barrels of storage capacity was exhausted. Producers have been responding with savage cuts to their capital expenditures. A long-watched measure of oil and gas activity, the Baker Hughes rotary rig count, only tells part of the story. As of April 24 it had dropped to 465 in the U.S., down by 526 from a year earlier and 41% lower than the average in the first quarter.

But that rapid collapse actually understates the pullback in activity. Analysts at Citigroup note that the active frac count compiled by research firm Primary Vision is down by a far sharper 73% from the first quarter average. Fracking wells is the last step in releasing oil and gas

from shale formations and "frac holidays" are awful news for oil-field service companies like **Schlumberger**, **Halliburton** and **Baker Hughes** on two fronts.

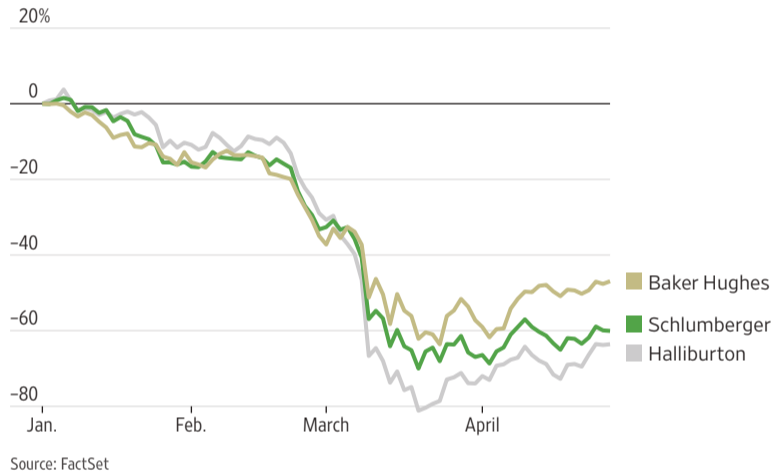
First, it means demand for things like fracking of already-drilled wells has dropped a lot more. For various contractual or business reasons, it sometimes still made sense to go ahead with drilling.

It also means that many of those drilled but uncompleted wells, or "DUCs" will be left idle. These represent supply that could be brought online quickly with relatively modest outlays in the future as soon as prices and demand recover. Before that happens, of course, the world will have to work through massive amounts of stored crude now building up.

The U.S. will feel disproportionate pain in this global glut because of the heavy cash needs of shale production. Service giant Schlumberger said 10 days ago that it expects customer spending to drop by 40% in North America this year and by 15% abroad. People and companies in the U.S. shale patch will have plenty of unwanted leisure time for at least the next several months.

—Spencer Jakab

Share-price performance, year to date



Fortunes Diverge At French Car Makers

The global auto industry hasn't needed special government help in the Covid crisis—until now. Investors are relieved that **Renault** will get a guaranteed loan, but doubts may follow.

Shares in the French car maker rose 9.9% on Monday after Finance Minister Bruno Le Maire confirmed over the weekend that talks were under way for a roughly €5 billion (\$5.41 billion) government-backed loan. The amount, which is still under negotiation, was slightly more than expected following comments made by interim Chief Executive Clotilde Delbos on Thursday, when Renault reported a roughly €600 million monthly cash burn alongside a quarterly sales update.

Consumer lockdowns have choked off most of the cash flows that car makers need to pay their staff and suppliers. Fortunately, most big manufacturers hit this roadblock with much healthier balance sheets than they had at the onset of the financial crisis 12 years ago, when a shift to small cars during a period of rising oil prices had already eroded profits, particularly in Detroit. Assuming the current trend toward a gradual economic reopening continues, most auto makers can survive on existing cash balances, big bank overdrafts and temporary cost reductions—including those made possible by Europe's subsidies for furloughed workers.

Renault, it appears, is an exception. On a call with analysts Thursday, Ms. Delbos portrayed the government loan as a backup facility that it would be foolish to turn down, since it was available. But it is revealing that France's other car maker, **Peugeot**, did turn down the offer. Chief Financial Officer Philippe de Rovira said last week that the company's policy globally was to remain "as free as possible of public dependence."

Unlike Peugeot, Renault has in recent years struggled to generate cash from its own low-margin car sales. Cash has come instead in the

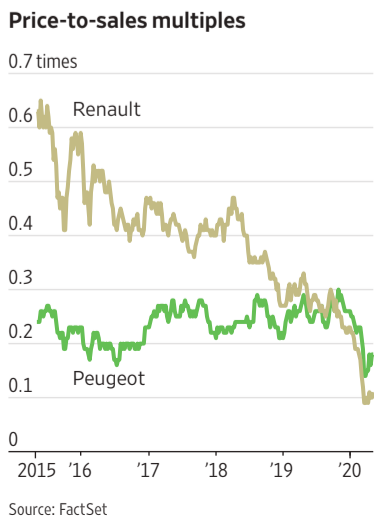
form of dividends, both from its own lending division and from its roughly 43% stake in Japanese alliance partner Nissan. Unfortunately, Nissan's problems in the U.S. market, where sales have shifted decisively away from small cars, have forced it to cut its payout.

It was never in doubt that Renault would survive. Mr. Le Maire on Friday evening called the company, in which the French state owns a 15% stake, an "industrial flagship that belongs to our culture, our history." The question for investors is what conditions accompany the government loan. This is where Monday's share-price reaction may end up appearing hasty.

Renault stock has long traded at a discount to its industry peers, partly because of the risks of government meddling.

Accepting a guaranteed loan may not add materially to those risks, but it marks a depressing step in the wrong direction. Peugeot, in which the French government indirectly owns 12%, is evidence that public stakes need not be a barrier to a better stock-market rating. Yet companies do need to make a convincing show of independence.

—Stephen Wilmot



OVERHEARD



Americans have come to intimately understand hoarding over the past month as toilet paper and other items have disappeared from store shelves, but it isn't the first time in recent history the phenomenon has appeared in the U.S.

In late 2007, India banned rice exports. Worries about global rice shortages ensued. The U.S. had plenty of rice, but people nonetheless began to hoard, emptying store shelves. An analysis conducted by economists Harrison Hong, Aureo de Paula and Vishal Singh found that prices among reputable retailers were slow to adjust higher, perhaps because the merchants didn't want to be accused of gouging. Higher-income

consumers hoarded more, perhaps because they had greater means, or because they were more attuned to the news on rice shortages.

Similar dynamics are playing out now. Reputable retailers have been cautious about raising prices, while third-party online retailers are charging a bundle. Once again, higher-income consumers seem to be hoarding more. Mr. Hong says his own recent shopping adventures in New York City's Upper West Side bear this out. There are empty shelves at his local Whole Foods, while his corner Gristedes, next to housing projects, remains well stocked.

The rich really are different.

Central Bankers Must Expand Imaginations

The Bank of Japan announced a raft of new policies Monday, as the coronavirus punishes global growth. Unfortunately these initiatives are old wine in new bottles.

Japan is often at the forefront of monetary policy, with a central bank that began experimenting to try to defeat slow growth and low inflation decades ago. But the decisions it made this week show it isn't just the tool kit of the world's central bankers that needs replenishing, but the imaginations of both fiscal and monetary policy makers.

The BOJ said it would purchase an unlimited amount of Japanese government bonds. That might once have been seen as a credible commitment to large-scale stimulus.

But the central bank isn't changing its yield-curve control framework, and 10-year bond yields are currently inside the trading band the BOJ aims for. So why any more government bonds would be purchased is a mystery.

Yield-curve control was introduced in the first place because the

bank's rapacious purchases of bonds were turning a once-active market into an elephant graveyard, where trading volumes had collapsed.

The BOJ also announced an expanded corporate-bond purchase program. That can reduce yields on short-term commercial paper a little but will likely have very limited impact relative to equivalent programs elsewhere.

The risk associated with longer-dated Japanese corporate bonds never really rose at all this year. The total increase since 2020 began has meant less than a 0.1 percentage point rise in spreads on the ICE Bank of America Japan Corporate Index, compared with around 1.5 percentage points in the eurozone and 3 percentage points in the U.S.

The BOJ has all but exhausted its space on interest rates. It could cut again by a fraction of a percentage point into further negative territory, but the screams of fragile regional banks whose income has been crushed by low rates would grow louder.

Most of the options left are fiscal, and would require the BOJ to cooperate with the Ministry of Finance, which is inclined toward an austere view of state finances. Japan's 1947 Public Finance Act prohibits direct monetary purchases of government debt.

Lifting that moratorium would allow the BOJ to engage in the same backstopping of government debt that Finance Minister Takahashi Korekiyo pursued during the Great Depression, or in policies like helicopter money, with direct payments to households financed by the central bank.

Short of such radical moves, it is hard to see what room the Bank of Japan has left to help.

Investors who have claimed central-bank ammunition is exhausted have been wrong-footed in 2020. The Bank of Japan's problem isn't that monetary-policy options are nonexistent. Rather that the current framework—and the imagination required for a new, more radical one—truly is.

—Mike Bird

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