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What's News

Business & Finance

The oil crash deepened, sending prices to an 18-year low in a stark demonstration of how the coronavirus pandemic is crippling fuel demand. **A1**

◆ **U.S. stocks rose,** with major indexes all gaining more than 3%, despite the mounting toll of the pandemic on the economy. **B1**

◆ **Macy's, Gap and other** retailers will furlough tens of thousands of workers starting this week, highlighting the limits of the rescue package for some businesses. **A1**

◆ **GM is forging ahead** with its effort to produce medical ventilators, while Ford said it is working with GE to make the devices. **A7**

◆ **Companies ranging from** Oracle to Nike are borrowing record amounts in the investment-grade-bond market to build cash. **B1**

◆ **The UAW's** executive board began a process to remove one of its members after an internal inquiry into allegations of sexual harassment. **B1**

◆ **Johnson & Johnson** said it had made progress on a vaccine to prevent Covid-19 and that the product could be ready in early 2021. **B3**

◆ **Companies are rolling out** tests that can quickly detect the coronavirus outside of laboratory settings. **B3**

World-Wide

◆ **Governors and mayors** across the U.S. are working to secure more medical supplies, adding restrictions and asking the federal government for better coordination, as the rise in confirmed cases of the new coronavirus brought the nation's total to over 164,000. **A1, A4, A6-A10**

◆ **A New York** medical center told ER doctors they have "sole discretion" to place patients on ventilators and institutional backing to "withhold futile intubations." **A3**

◆ **The Treasury** released new details on grants and loans for airlines and urged companies to submit some applications by Friday. **A6**

◆ **The government** will begin sending out stimulus payments to U.S. households in the next three weeks, officials said. **A4**

◆ **The Justice Department** is examining whether lawmakers traded ahead of the market turmoil caused by the virus based on confidential briefings they received. **A6**

◆ **Saudi Arabia** has invited Houthi representatives and the internationally recognized government in Yemen to peace talks. **A10**

◆ **The Trump** administration is completing new rules on tailpipe emissions that would sharply reduce targets auto makers must reach over the next five years. **A2**

NOTICE TO READERS

The World Health Organization has said it is safe to handle newspapers during the coronavirus pandemic. The Wall Street Journal's printing plants and delivery services, though, are taking precautions, frequently cleaning equipment and facilities while reducing human contact with the newspaper. A digital version of the print edition also can be viewed at <https://www.wsj.com/itp>.

CONTENTS Markets..... B10
Business News..... B3 Opinion..... A15-17
Capital Account..... A2 Sports..... A14
Crossword..... A12 Technology..... B4
Equities..... B6 U.S. News..... A2-3
Heard on Street..... B11 Weather..... A12
Life & Arts..... A11-13 World Watch..... A10



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The Navy's Comfort medical ship sailed into New York City on Monday, where it will be docked to provide 1,000 additional hospital beds for non-Covid-19 cases, as scores of pandemic patients have overwhelmed the city's health system.

Makeshift Hospitals Sprout As Nation Fears More Cases

A U.S. Navy ship outfitted with 1,000 hospital beds pulled into New York Harbor. Tents sprang up in Central Park. The Javits Center, a mammoth convention facility on Manhattan's

By Jennifer Calfas,
Chong Koh Ping
and Ann M. Simmons

west side, opened its doors as a makeshift hospital. Those scenes in New York City Monday were part of a striking new reality in the U.S. as state and federal leaders

take steps unprecedented in modern times to fight the global coronavirus pandemic that has infected more than 164,000 people in the U.S. and over 785,000 globally.

With nearly half of states now reporting more than 1,000 confirmed infections, governors and mayors across the U.S. are working to secure more medical supplies, adding restrictions and asking the federal government for better coordination.

In New York—the state with the worst outbreak in the nation, with more than 66,000

confirmed cases—officials expanded hospital capacity in unconventional ways in the days before the pandemic is expected to reach its peak.

"We believe that we're dealing with this pandemic at a level, intensity and density that no one has seen before," New York Gov. Andrew Cuomo said inside the 1.8 million-square-foot Javits Center on Monday. "And hopefully we'll learn lessons here that we can then share with people across this nation."

The pandemic that has ground much of the U.S. econ-

omy to a standstill continued to produce whipsaw market moves, as the Dow Jones Industrial Average and S&P 500 index each rose more than 3% Monday. Those measures have each rallied more than 15% since bottoming a week ago but remain down more than 20% from February records.

At the beginning of March, the U.S. had reported fewer than 100 confirmed cases of Covid-19, the pneumonia-like disease caused by the virus. It now has more than 164,000

Please turn to page A4

At Museum in Lockdown, a Van Gogh Is Pilfered



Thieves stole a Van Gogh on Monday from a Dutch museum closed because of the pandemic. **A10**

Parents Teach At Home, and Get Schooled

* * *
Ambitious plans evaporate; just put on 'Frozen' again

By SUMATHI REDDY

Daniel Chancellor's sample weekly schedule for his 10-year-old son started out earnestly—reflecting the hopes of so many parents who suddenly found themselves isolated at home with their children, often while juggling full-time jobs.

Monday included blocks for chores, creativity, outdoor time and "lunch and learn."

Things started unraveling Wednesday, with entries including "Just try not to make a mess" and "No, you can't use my phone."

By Friday? "Please find something to do in another room and just let us work. here is \$100. please," followed by five hours of screen time.

Millions of American parents heading into another week of schooling their children from home are learning a difficult lesson: The kids are

Please turn to page A6

The Fed Takes Uncharted Course to Stem Virus Damage

Jay Powell has moved the Fed faster and further than ever, transforming its role

By NICK TIMIRAOIS

WASHINGTON—To meet the dislocation the coronavirus pandemic unleashed on the economy, Federal Reserve Chairman Jerome Powell has mobilized the central bank to move faster and further than ever before.

In the short weeks since financial markets seized up, Mr. Powell has placed the Fed on wartime footing. He took up the central bank's playbook from the 2008 financial crisis and then some—cutting rates to near zero, purchasing huge quantities of government debt and, breaking a taboo, lending to American businesses.

The pace left no time for the deliberative policy process the Fed prefers. Officials can spend weeks tweaking a few words in a heavily parsed statement. This time, the team saw the need for immediate action.

When Fed officials met Sunday morning, March 15, infections were rising along the East Coast. Mr. Powell and his colleagues left empty seats in between them at the central bank's oval boardroom table, made of Honduran mahogany and granite. Two screens suspended from the two-story boardroom ceiling showed 12 reserve

Please turn to page A8

THE CORONAVIRUS PANDEMIC

Florida rejects push to order state lockdown, **A4**
Safety advice for shopping at the grocery store, **A11**

Jason Gay: To live in New York City right now, **A14**

Macy's, Gap Prepare To Idle Most Workers

By SUZANNE KAPNER

Macy's Inc., Gap Inc. and other retailers will furlough tens of thousands of employees beginning this week, highlighting the limits of the \$2 trillion rescue package for U.S. businesses that have been cut off from their customers.

The furloughs add to the swelling ranks of unemployed and the economic damage resulting from the fast-spreading coronavirus. Several states have ordered nonessential businesses like Macy's to close, and President Trump has advised that social-distancing guidelines remain in place until April 30.

The rescue package provides direct payments to individuals, enhanced unemployment bene-

fits and loans for small employers that keep people on their payrolls. The legislation set aside funds for airlines and other companies deemed important to national security, but didn't include specific relief for retailers. Big chains looking to keep paying staff while their stores are shut would have to borrow funds or spend their savings.

Macy's, which in addition to its namesake department stores operates the Bloomingdale's and Bluemercury chains, closed its doors on March 17. Although it has continued to sell online, the retailer said it has lost

Please turn to page A8

◆ **Instacart, Amazon** workers protest over safety..... **B1**

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Industry

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Sources: IDC Worldwide Quarterly Server Tracker, Q3 2019. Server shipments and revenue growth are for the twelve quarter period from Q4 2016 through Q3 2019. A statistical tie (within 100 bps for units) exists for time period Q4 2016 through Q3 2017.

U.S. NEWS

CAPITAL ACCOUNT | By Greg Ip

How to Avoid Another Great Recession

The U.S. economy has suffered a body blow with no modern precedent. Unemployment, just 3.5% in February, could top 10% in coming months, higher than its peak in the 2008-09 recession. Some see it surpassing 20% soon, levels unseen since the Great Depression.

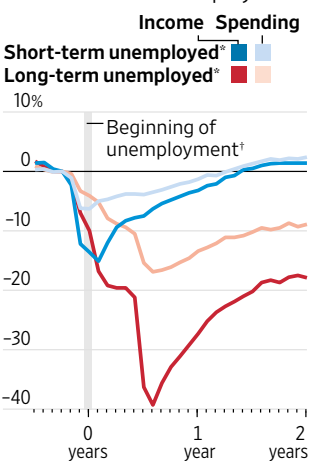
But it isn't a foregone conclusion that this must wreak as much damage as the great recession, much less the Depression. It depends not just on how high unemployment goes but how long it stays there. That, in turn, depends on whether businesses and workers, with the aid of government, can stay afloat for as long as it takes to stop the pandemic.

This isn't like other recessions, in which businesses and consumers are unwilling to spend. This time they are unable to spend. It resembles a natural disaster such as a hurricane that closes an entire affected region. Businesses and employees typically treat a natural disaster as transitory and pick up after-

ward where they left off. The difference is that this one is shutting down most of the country, potentially for months. The longer it drags on, the more businesses will fail and the more temporary layoffs become permanent, with knock-on effects on spending and employment that become difficult to reverse.

While we don't know much about the economic effects of pandemics, we know a lot about the effects of natural disasters. The week after Hurricane Harvey's landfall in 2017, the typical Houston business's incoming cash plummeted 63% relative to a year earlier, and 31% had no cash coming in at all. That is according to a JPMorgan Chase Institute study of thousands of anonymized accounts. Importantly, businesses' cash outflows also significantly shrank, preserving somewhat their cash balances. And within a week, cash inflows returned to normal in both cities. A surge in temporary layoffs didn't translate

Quicker the Better Incomes and spending fall more for the long term than the short-term unemployed.



*Short-term: under six months. Long-term: more than six months. †Receipt of UI benefits. Note: For unemployment insurance recipients in states with six months of benefits. Source: JP Morgan

into a significant or sustained drop in employment. While the bank's in-house think tank didn't study Hurricane Katrina, that storm's severity in 2005 and the slow pace of rebuilding left lasting economic scars. Employment in the New Orleans area im-

mediately plunged 30%. Two years later, only half that drop had been recovered, and, according to one study, a third of businesses had failed to reopen.

The priority now is to avoid New Orleans' post-Katrina fate. That requires enabling businesses, as best as possible, to hang on until the pandemic emergency is over. Lauren Knox has owned a hair salon in Huntsville, Ala., since 1989. In 2011, she was forced to close for 10 days when tornadoes tore across the Southern U.S. She still remembers dividing up the cash the salon had on hand to help tide over her employees. It helped prepare her for the pandemic, to an extent. On March 3, she had her employees sign a plan of action, in which she said: "Like any other disruption in our lives, like a tornado, etc., we ride it out together." A week ago, to protect their and their customers' health, she closed her salon and told her seven support staff, seven commissioned stylists, and 11 stylists who rent a salon chair from her, to stay home.

None, so far, have been laid

off. Her hope is that when the pandemic passes, she can reopen and bring all those staff back. But she has just \$7,000 in cash on hand and, assuming she cuts all operating expenses, still has fixed monthly expenses of rent, utilities and insurance of around \$7,200.

"I did make the decision to pay my support staff two weeks out of pocket and hope this stimulus and relief will bridge that gap soon," Ms. Knox said, referring to the \$2 trillion-plus relief package signed last week. "I'm up to date on all my bills for April. But I can't continue through May without some assistance."

Most workers have skills and experience that are specific to their current jobs. The longer they spend looking for a new one, the more that human capital depreciates, delivering a lasting hit to income and thus spending. Separate research by the JPMorgan Chase Institute found that those unemployed six months or more had cut spending by 13% a year after losing their jobs, compared with 1% for

those unemployed under six months.

Research by the Organization for Economic Cooperation and Development found that in the past, recession unemployment rose less in countries where employers thought the downturn was seen as transitory. That was especially notable in Germany, which encourages employers to reduce each worker's hours rather than cut workers altogether.

The U.S. has traditionally resisted subsidizing employers to keep workers, preferring instead to subsidize the unemployed as they search for a new job. The economic-rescue package breaks that tradition. Besides money for unemployment benefits, it includes \$350 billion in forgivable Small Business Administration loans and \$500 billion in direct loans and seed money for Federal Reserve credit, all conditional on minimizing layoffs. Speed is essential for the program to succeed, and that alone may not be enough. If the pandemic lasts many more months, or returns in the fall, last week's package may not be enough.

Countries Look for Right Formula To Save Lives and Their Economies

By Marcus Walker

The coronavirus has produced something new in economic history: Never before have governments tried to put swaths of national economies in an induced coma, artificially maintain their vital organs, and awaken them gradually.

Some past societies, such as medieval Europe, abandoned economic activities as people tried to escape plagues, and suffered heavy disruptions to their social order. In other pandemics, such as the flu of 1918, economic interactions continued with only limited quarantine measures, as authorities accepted contagion and deaths as the price of continuity.

Today, many nations are more willing—or feel more able—to try to have it both ways. Their hope is to press pause on the economy, save lives, and then press play again. If it works cleanly, it will be a testament to the flexibility of modern capitalism and the ingenuity of modern government. More likely, much will go wrong.

"We're in unknown territory. Inevitably there's a lot of

guesswork," said Simon Tilford, an economist at Forum New Economy, a Berlin think tank.

The problem is that the economy has no pause button. Social-distancing measures can suspend the buying and selling of most goods and services. But many costs keep on running. Households have rent or mortgages to pay, as well as bills for food and other necessities. Businesses have pay-

'We're in unknown territory. Inevitably there's a lot of guesswork.'

rolls, debts and other fixed overheads. Banks owe money and so must collect it.

The conundrum of how to pay wages, rents and interest in the absence of sales has three kinds of answer.

People and businesses could live off their savings until restrictions end. But many don't have enough reserves. The longer the emergency lasts, the

more people will run out of money.

The private sector could cut its outlays to match the commerce that is still permitted. But that raises the specter of mass unemployment and bankruptcies, the destruction of countless normally viable businesses, the scattering of workforces, and perhaps a lasting depression.

"There's a clear common societal interest in preserving jobs and companies from this external shock," said Christian Odendahl, chief economist at the Centre for European Reform, a think tank. "Our economic structure is a very complex machine, and its organization, the match between workers and firms, is difficult to replicate once it's gone."

To avoid such armageddon, the government can substitute for sales for a while, sending or lending enough money to cover wages, interest and other fixed costs. In theory, the state could preserve today's companies and jobs for months, provided it can borrow or print enough money and target the aid perfectly, and that people trust normality will return.

In practice, the outcome in many countries is likely to involve a mix of savings, slump and subsidies.

Government packages of fiscal and liquidity support are already huge: \$2 trillion in the U.S. and hundreds of billions of dollars in Germany, the U.K. and France. European countries are focusing on subsidizing payrolls so companies don't lay off their workers. The U.S. is offering forgivable loans to businesses that retain staff, but also expanding unemployment benefits and sending one-time checks to households. Many countries are delaying taxes and encouraging or paying banks to accept late payments on loans.

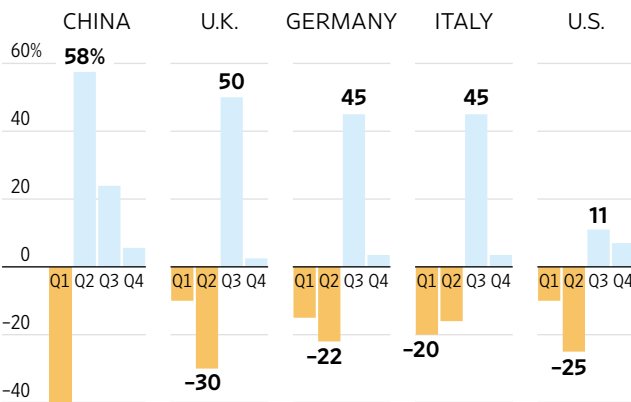
But politics has inevitably meant disagreement about how to target the aid, and how far to go in subsidizing the private sector. The U.S.'s aid package came too late to avoid a sudden jump in job losses last week.

"We're seeing unprecedented liquidity support in many countries, but the collapse of private consumption is so big that many firms will go under," Mr. Tilford said.

In the U.S. and Europe,

Forecasts for expected impact of lockdowns on major economies

GDP change from previous quarter, forecasts 1Q 2020-4Q 2020



Note: At a seasonally adjusted annualized rate

Source: JP Morgan

there is debate over which sectors and companies deserve handouts, which parts of the private sector should be asked to absorb some of the cost themselves, and how to avoid pumping money into ailing companies that would have gone bust anyway.

There is also reluctance in some countries to borrow too much, a decade after the global financial crisis pushed up public debts. That concern is particularly acute in Italy, which has the world's deadliest coronavirus outbreak and fragile finances.

Bringing economies out of their induced comas will be slow. Countries don't want resurgent outbreaks to force a

second bout of lockdowns. Nobody knows how many months will pass before normal commercial activity resumes in full.

If the operation succeeds, there will be the question of what to do about the large additional public and private debts. Forgiving loans to businesses that retained workers could help the private sector recover, but add to public costs.

High public debts, however, are nothing new. A decade ago, European countries tried to pay down debts with fiscal austerity. The economic pain and political backlashes had still not fully subsided when the pandemic struck, making a repeat less likely.

U.S. WATCH

ABORTION

States Blocked From Halting Procedures

Federal judges for now blocked Texas, Ohio and Alabama from curbing most abortions amid the new coronavirus pandemic, after the states cited the need to preserve medical equipment and public health as reasons to halt the procedure.

Governors across the country have ordered elective or nonessential medical procedures postponed to free up resources to devote to the fight against the virus—and some have included abortions in those categories.

Abortion providers are challenging restrictions in several states. In addition to Monday's court orders, cases also are pending in Iowa and Oklahoma. Texas was an initial legal battleground, and U.S. District Judge Lee Yeakel on Monday issued a temporary restraining order against the state.

Judge Yeakel wrote that delaying abortions causes irreparable harm because, as pregnancies progress, abortions become less safe and eventually illegal. The judge added that the providers' lawsuit is likely to be successful.

The judge is expected to consider a longer-term injunction on April 13. Texas vowed an immediate appeal.

Abortion-rights advocates applauded the rulings and accused states of attempting to advance antiabortion political goals during a public health crisis.

—Elizabeth Findell



Authorities on Monday were investigating a shooting in Phoenix that left a police commander dead and two officers wounded on Sunday night. The suspect was shot to death by police after a standoff.

WASHINGTON, D.C.

States Advised to Let Gun Shops Stay Open

The federal government is advising states that gun stores, gun makers and shooting ranges are critical businesses that shouldn't be closed during shutdowns meant to slow the spread of the novel coronavirus.

The addition of firearms-industry workers over the weekend to a federal list of essential workforces such as doctors, police officers and energy workers came after gun-industry groups lobbied the Department of Homeland Security and the White House.

Though advisory in nature, the list of essential workers is being

used by many states to decide which businesses to close and which to let stay open during lockdowns.

On Monday, New Jersey Gov. Phil Murphy, a Democrat, reversed course on gun stores because of the new federal guidance, announcing that they would be allowed to operate by appointment during limited hours.

—Zusha Elinson

WHITE HOUSE

New Rules Ease Up On Tailpipe Emissions

The Trump administration is completing new rules on tailpipe emissions that would slash the emissions targets auto makers must reach over the next five

years, according to people familiar with the situation.

The rules expected to be announced Tuesday would require auto makers to achieve 15% annual increases in fleetwide fuel efficiency through 2026, using an industry measure that takes both gas mileage and emissions reductions into account, the people said.

That requirement would be down from a 5% annual increase in efficiency mandated by the Obama administration. Under that former standard, auto makers were expected to produce a roughly 3% increase in fuel efficiency in the current model year, before more stringent targets kick in. Challenges are likely from environmentalists and several states led by California

—Timothy Puko

CORRECTIONS & AMPLIFICATIONS

The charity Samaritan's Purse built a field hospital for the care of coronavirus patients in New York's Central Park near Mount Sinai Hospital. A photo caption on Page One in some editions Monday omitted that it was being built by the charity and incorrectly said it was near Mount Sinai West to expand the hospital's emergency-room services.

The last name of Brent Nieman, a University of Chicago economist, was misspelled as

Nieman in The Outlook column in Monday's U.S. News section.

ESPN staffers at a meeting the day after the National Basketball Association suspended its season proposed alternate programming to fill gaps left by live sports programming. In some editions Monday, a Business & Finance article about how the coronavirus is affecting the sports business incorrectly said the proposals were made before the NBA's suspension.

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

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U.S. NEWS

Doctors Told To Decide on Ventilators

New York medical center says it will back ER staff who withhold ‘futile intubations’

By Shalini Ramachandran
And Joe Palazzolo

NYU Langone Health, one of the nation’s top academic medical centers, told emergency-room doctors that they have “sole discretion” to place patients on ventilators and institutional backing to “withhold futile intubations.”

A March 28 email from Robert Femia, who heads the New York health center’s department of emergency medicine, underscored the life-or-death decisions placed on the shoulders of bedside physicians as they treat increasing numbers of coronavirus patients with a limited supply of ventilators.

New York state guidelines, established in 2015, recommend that hospitals appoint a triage officer or committee—someone other than the attending physician—to decide who gets a ventilator when rationing is necessary. The guidelines say that removing the decision from the physician treating the patient avoids a conflict of interest, allows an officer or committee with access to overall ventilator availability to make the call and prevents health-worker burn-out and stress.

Dr. Femia said in his email, which was reviewed by The Wall Street Journal, that experts and leaders at NYU Langone were creating internal guidance on how to allocate ventilators, which are in short supply across New York City. But the emergency department couldn’t afford to wait, he said.

“In Emergency Medicine, we do not have the luxury of time, data, or committees to help with our critical triage decisions,” he wrote. “Senior

hospital leadership recognizes this and supports us to use our best clinical judgment.”

Dr. Femia wrote that decisions about “airway management” and whether to use a ventilator or other respiratory support devices were at the sole discretion of treating physicians, but he told doctors to “think more critically about who we intubate.”

“For those patients who you feel intubation will not change their ultimate clinical outcome (for example cardiac arrests, some chronic disease patients at end of life, etc) you will have support in your decision making at the department and institutional level to withhold futile intubations,” he wrote, referring to the tubes attached to ventilators that are inserted in the mouths of patients and sit above the lungs.

Jim Mandler, a spokesman for NYU Langone Health, said Dr. Femia’s email outlined guidance that had long been in place. “We felt it was important to re-emphasize to our emergency medicine staff what these guidelines explicitly say, and to assure them that the decisions that they make at the bedside will be supported,” he said.

Mr. Mandler added that NYU Langone was “not at the point in which these judgments need to be made within the current scope of care.”

Some NYU Langone doctors said they were unsettled by Dr. Femia’s email.

“Asking [ER] physicians to make snap judgments about how well a patient will do based on little to no information is a tremendous burden to place on them,” one doctor said.

“As a doctor, I don’t know how to make the call,” another said. The doctor said so far there was no evidence of anyone withholding care from patients. But what the email calls for “seems way too close to playing God.”

Local 911 Call Centers Struggle to Stay Open

By Sarah Krouse

Public-safety call centers are confronting an unexpected 911 emergency: keeping the people who answer the phone healthy.

As the new coronavirus spreads in communities across the U.S., 911 call centers are grappling with how to ensure their dispatchers don’t get infected—and what to do if they run short on workers trained to field emergency calls.

When a 911 call taker in the Lake County Sheriff’s Office north of Chicago tested positive for the coronavirus March 20, the emergency call center had to quickly close for a deep cleaning.

It sent some staff to a neighboring facility, but that town’s system for dispatching first responders wasn’t com-

patible with the county sheriff’s 911 call system.

The incident in a county with 300 positive cases as of Monday was a preview of the scramble emergency call-center directors fear they, too, may face as the pandemic worsens.

The U.S. 911 system isn’t wired for a nationwide emergency like the coronavirus pandemic, call-center officials say. Dated telephone systems, mismatching radio frequencies and disparate dispatch software mean that call traffic at many centers can’t easily be redirected from a center that is overloaded with calls or whose call takers have fallen ill.

Personnel answering 911 calls can’t typically work from home and often report to facilities shared with emergency workers.



New York Army and Air National Guard troops arrive to disinfect a synagogue in New Rochelle, a community hit hard by the coronavirus.

Crisis Tests Community Ties

By Erin Ailworth
And Alexandra Berzon

BRONX, N.Y.—On the morning of March 3, Rabbi Binyamin Krauss and his wife were headed home after a weekend away, and the coronavirus disease still seemed a danger far away from New York City and its suburbs.

School buses were headed out to ferry students from far-flung spots in Queens, Manhattan and Westchester County in New York, Connecticut and Bergen County, N.J., to Salanter Akiba Riverdale in the Bronx, known as SAR, a Modern Orthodox kindergarten to eighth-grade school and a high school. The schools are run by Rabbi Krauss, his brother-in-law and a third principal.

An alarming call at 6:17 a.m. prompted school leaders to halt buses and cancel school. The parent of a high-school student had tested positive for Covid-19, the second identified case of coronavirus disease in New York state.

“We are writing to inform you that there is a suspected case of coronavirus in our community,” the principals texted, canceling classes.

The virus would spread from the school to synagogues in New Rochelle, N.Y., White Plains, N.Y., and Teaneck, N.J., finding a wide circle of people who shared religious services and celebrations. It preyed on the bonds of family, friends and faith in the tightknit Modern Orthodox community and showed how perilously connected everyone was to the school and to each other.

Lea Geller, whose five children attend the SAR school, said that after she learned classes had been canceled there was “tremendous fear about what this meant, and why, and how come it was us when the rest of the world was still going on.”

About 60 people, including faculty and family members, at the 1,500-student school have tested positive for coronavirus, school officials said. In Westchester County, 9,326 people had tested positive as of Monday, officials said.

Within days, life was transformed in this Jewish community. The social events that strengthened ties—Sabbath synagogue services, bar and bat mitzvahs and holiday celebra-



Jonna Revitz, Jon Madof and son Jacob. Two guests at Jacob's bar mitzvah tested positive.

tions—had turned risky.

Early on March 3, Ita Barak’s daughter, who commutes from Teaneck, N.J., to SAR, rushed to tell her mother that school was canceled.

Later that day, New York Gov. Andrew Cuomo announced that a 50-year-old Westchester County, N.Y., resident, later identified as attorney Lawrence Garbuz, had tested positive for Covid-19.

“We were a little blindsided,” Ms. Barak said. “We weren’t expecting it to be ground zero.”

The following day, Gov. Cuomo said Mr. Garbuz’s 14-year-old daughter, a ninth-grader at SAR; Mr. Garbuz’s wife, Adina; and his 20-year-old son had all tested positive.

By 10 a.m. on the day school was canceled, Mr. Krauss’s dining room in Yonkers was filled with school representatives and New York City health officials. They were focused on Mr. Garbuz, trying to figure out how many people had been exposed to him over the previous week.

There were many. At a joint bar and bat mitzvah at the Young Israel of New Rochelle synagogue, dozens of SAR students and others had clustered in one room to play games. Dozens of adults, including Mr. Garbuz, gathered in another room eating hors d’oeuvres and drinking cocktails.

Earlier that day, Mr. Garbuz and several hundred others had attended the synagogue for the funeral of Marek Appell, 91, a Holocaust survivor.

Health officials later estimated that Mr. Garbuz had had direct contact with anywhere from 800 to 1,000 people at the two events.

Officials said Mr. Garbuz likely wasn’t the first person in the area to have contracted the coronavirus disease, only the first known case in a community where it had probably been percolating. New Rochelle became the first city in New York with a large community under quarantine.

As SAR school officials pieced together all the contacts, Rabbi Krauss and his brother-in-law, Rabbi Naftali Harcsztark, fielded calls from parents and teachers: *What neighborhood? Which classes? What grades?*

Jacob Madof, a seventh-grader, went with a friend’s family to the Westchester, a mall in

White Plains, before learning he had been exposed to Mr. Garbuz at the joint bar and bat mitzvah. Jacob texted his mother, Jonna Revitz, and said he was coming home.

Under the direction of the state, SAR officials quarantined everyone from the high school on March 4. Days later, the lower school was added.

By then, the spread of the virus was fast under way: 29 students, faculty and parents tested positive on March 9. Six days later, it reached 46.

“Between the first Tuesday and the second Tuesday, it all changed,” Rabbi Krauss said.

Many in the SAR community who tested positive weren’t at events with Mr. Garbuz. Some had attended other bar mitzvahs and weddings in the days before Mr. Garbuz’s diagnosis was known and likely came into contact with the same guests he had.

Ms. Revitz had hosted around 300 people at Temple Israel in White Plains on Feb. 29 for Jacob’s bar mitzvah. That night, there was a rock-climbing party for the seventh-grade boys. On March 8, she found out two guests had tested positive. She sent an email to warn others.

“I was like, ‘Oh my God, what have I done,’” Ms. Revitz said. “I felt terrible.”

‘We were a little blindsided. We weren’t expecting it to be ground zero.’

Hospitals Keep Partners From Rooms During Births for Safety

By Laura Kusisto
And Melanie Grayce West

Melissa Roberts had just been told she was on the cusp of going into labor when she received the news: Her husband, Brian, wouldn’t be allowed in the delivery room.

Their New Jersey hospital, like others across the country, had launched a no-visitors policy designed to protect patients and staff from the new coronavirus. It set off a frantic day last week for the Roberts. They called several hospitals to find one that would take a last-minute patient and allow Mr. Roberts to accompany her.

“You want to be there and you want to support, even if it’s just her squeezing the bones of my hand into sawdust,” said Mr. Roberts, who spoke from St. Peter’s University Hospital in New Brunswick, N.J., while his wife was in labor. Ms. Roberts delivered a healthy boy on Wednesday

afternoon.

Among the new measures affecting pregnant women, doctors are canceling appointments or holding them by videoconference. Hospitals are barring partners from ultrasound appointments. Some women are leaving pandemic hot spots like New York City and driving back to their hometowns to give birth. Others are trying to switch to home births or asking to be induced to try to give birth before the pandemic worsens.

Hospitals in New York, New Jersey and California—some of the places worst-hit by the epidemic—have at points stopped allowing partners to be with women during labor. Among them were two of the country’s largest hospital systems, NewYork-Presbyterian and Mount Sinai Health System, both based in New York City, which are on the front lines treating a wave of coronavirus patients overtaking the city’s emergency rooms.



Lizzy Ott in a selfie with her newborn last week. Her husband wasn't allowed in the hospital.

On Saturday, New York Gov. Andrew Cuomo signed an executive order that said one person, who doesn’t have a fever at the time of labor and delivery, can be present as a support person for a patient

who is giving birth. That left some families who had fled the city because of the policy agonizing about whether to return, upending their plans twice in a matter of days. Representatives for Mount Sinai

and NewYork-Presbyterian both said they would comply with the order and allow partners who don’t have a fever to be present. Earlier in the week, medical staff at NewYork-Presbyterian discussed the challenges of protecting mothers’ health in the midst of a pandemic.

Before Mr. Cuomo’s order, Mary D’Alton, obstetrician and gynecologist-in-chief at NewYork-Presbyterian/Columbia University Irving Medical Center, said the hospital had believed it needed stricter procedures for keeping out infected people. Last week, she said, some mothers became acutely ill from coronavirus in the labor and delivery unit and were admitted to intensive-care. More than 30 health-care workers were exposed, she said.

“If we have overreacted, I would prefer to be on that side of the equation and provide safety to our mothers,” Dr. D’Alton said.

Last Tuesday, before the governor’s order, Lizzy Ott’s husband, Josh, drove her to NewYork-Presbyterian and said goodbye at the entrance. Her doctor induced labor. Her husband spent 24 hours on FaceTime from home, coaching Ms. Ott through labor and eventually an emergency C-section. She gave birth to a boy on Wednesday at around 1:15 a.m.

“It felt like walking a plank,” said Ms. Ott, 38 years old, who runs an organic baby bedding and pajamas business in Brooklyn, N.Y., of not having her husband at the hospital.

Without partners in the maternity ward, NewYork-Presbyterian nurses spend more time in labor rooms and the gynecology staff are around more for support work, like holding an iPhone so that mothers can FaceTime a birth, said Laura Riley, obstetrician and gynecologist-in-chief at NewYork-Presbyterian/Weill Cornell Medicine.

THE CORONAVIRUS PANDEMIC

Pelosi Lays Plans for Another Stimulus Bill



Just as new fronts are opening up in the health battle against the coronavirus, so too is the next front in the policy debate over how to contain the economic carnage. Specifically, the question is this: Is it already time for Washington to prepare another big economic-stimulus package?

It might seem an odd question just days after Congress passed and President Trump signed a \$2 trillion rescue package, the third piece of coronavirus legislation already enacted. Yet House Speaker Nancy Pelosi (D., Calif.) is marshal-



ing her forces behind a phase-four stimulus bill—and believes there is some bipartisan support for the effort.

“Two trillion dollars might seem like a lot of money, and it is,” she said in an interview Monday morning. “But the challenge is so great.” As she spoke, Mrs. Pelosi was planning conference calls later in the day, with other House leaders and then with all Democratic members, to lay plans.

In the Pelosi view, the first two bills passed amid the crisis were simply about dealing with the health emergency—buying medical supplies, for example—and the third was designed to mitigate the deep damage done by an economy shutting down. Now, she says, it is time to start thinking beyond that, to economic recovery.

So she envisions a phase-four bill that would pay for some growing workplace needs: medical leave, more protections for those at risk of infection, government funds to pay for coronavirus

tests and help for pension funds at risk because of the economic jolt.

Beyond that, the legislation would have a bigger goal: fund improvements in America’s infrastructure, including its health and digital infrastructure, both badly taxed in the current crisis. Infrastructure projects produce instant economic activity and jobs, but are in danger of shutting down as state and local governments use whatever money they have to cope with the skyrocketing costs of coping with the coronavirus pandemic.

“We must have more resources—it’s absolutely essential—for state and local government,” Mrs. Pelosi said. “That’s where the first line of defense is.” She adds that she talked in recent days with Federal Reserve Chairman Jerome Powell: “He said with interest rates so low, think big.”

Just a few days ago, Mr. Trump echoed this desire to do more for states. Still, his aides are trying to tap the brakes on the drive toward a

new stimulus bill. They don’t rule out supporting one eventually, but argue it is wiser to digest the giant economic rescue just passed before deciding on more.

The just-passed package will be in full force within three to four weeks, senior administration officials say. The machinery for dishing out small-business loans will be in place by Friday, and the money can flow by next week. Within the two weeks after that, financial-aid

Today’s problem could turn into an opportunity later this year, for both parties.

checks to average Americans will be moving out, and new unemployment benefits will be available.

If the curve of the virus case load starts heading down in the meantime—still a big if—all that may prove

sufficient, they argue. Let’s wait and see.

Those are all reasonable arguments. Yet so is the case for an additional stimulus package.

In truth, the \$2 trillion bill just passed is more an economic rescue plan than an actual stimulus package. It is designed to stop the bleeding in households struck by layoffs, tide over small businesses forced to close during the time the country is shutting down and keep money flowing in credit markets and to certain imperiled big companies and businesses.

Yet the experience in China, which is a couple of months ahead of the U.S. in the arc of the pandemic, suggests a need will exist for ongoing help as consumers pile up debt. Likewise, states face a budget crunch, particularly if they have trouble tapping the bond markets for financing, as already appears to be happening.

A stimulus package could help on all those fronts. More

than that, it could finally start to do what Mr. Trump and Democratic leaders have said for three years they want to do, although without success: Put together a real, bipartisan plan to improve America’s infrastructure. Thus could today’s problem turn into an opportunity later this year, for both parties.

That scenario includes one particularly intriguing possibility: making a big national push into 5G technology part of any new package. The current crisis has pushed Americans further online, and there is probably no reversing that trend now. More distance learning, more working from home and more telemedicine all are on the national agenda now—and a robust 5G network suddenly looks more important than ever.

“Lesson learned here: We’re going to be doing a lot more online,” says former Chicago Mayor Rahm Emanuel, who helped guide the Obama administration’s stimulus plan through Congress as White House chief of staff in 2009.

Florida Rejects Push to Order Lockdown

By Arian Campo-Flores

MIAMI—Public-health officials say statewide lockdowns implemented early and aggressively are necessary to curb the coronavirus pandemic. Florida Gov. Ron DeSantis disagrees.

Among the states in the U.S. with the most coronavirus cases, Florida alone has refrained from imposing a statewide stay-at-home order. The Republican governor has instead focused restrictions on the hardest-hit counties while seeking to spare other areas from the deep economic pain that comes with a lockdown.

“There’s a lot of negative impact from those blunt measures,” Mr. DeSantis said at a news briefing. “People are going to go out of business. People are going to lose their jobs.”

Mr. DeSantis argues that large-scale shutdowns are ineffective because of widespread noncompliance. He has left it up to cities and counties to decide whether to close beaches or businesses, or order people to stay at home. Like President Trump, he says that it is unrealistic to lock down society indefinitely and that, after a pause, the state needs to begin making the transition to reopening.

It is a high-stakes gamble. If Mr. DeSantis’s calculation is right, he could contain the virus’s spread while limiting upheaval in rural areas with few confirmed cases. If it is wrong, he could expose a state with a large population of vulnerable seniors to a bigger wave of disease that overwhelms the health system and results in more deaths.

Florida had nearly 5,000 coronavirus cases and 60 deaths as of Sunday, according to the state health department. That is the sixth-highest case tally among states, based on data compiled by Johns Hopkins University. Miami-Dade and Broward counties topped the list of affected areas, and 16 of the state’s 67 counties



Orlando residents fished at Harbor Park last week, before a county stay-at-home order went into effect.

had no detected cases.

An absence of confirmed cases in a particular area doesn’t mean the virus isn’t already present, given the unevenness of testing, according to health officials.

“In moments of crisis and natural disasters, we look to our governor for leadership,” said Democratic state Rep. Anna Eskamani. “It’s not there right now.”

She said the lack of consistency permits people in more-restricted counties to head to ones less stringent, become exposed and then return.

More than 900 Florida health-care workers signed an open letter to Mr. DeSantis, released Thursday, urging him to act more forcefully to combat the virus’s spread, with measures including a statewide shelter-in-place order.

Business groups such as the

Florida Restaurant & Lodging Association and Republican elected officials back Mr. DeSantis’s approach.

“He has been measured and balanced,” said Republican Senate President Bill Galvano. “A one-size-fits-all approach might not fit here.”

Mr. DeSantis has issued some statewide orders, including shutting restaurant dining rooms and bars. He also directed air travelers arriving in the state from the New York metro area to self-isolate for 14 days, a move the Trump administration said should apply to all people leaving that metro area. On Friday, Mr. DeSantis extended the order to include travelers entering the state from Louisiana.

Officials in counties including Pinellas, home to St. Petersburg, and Orange, home to Orlando, have issued stay-at-

home orders. So, too, have such cities as Miami Beach, which was one of the earliest to close beaches and nonessential businesses. Miami Beach Mayor Dan Gelber said the governor’s approach makes sense.

“We will have different challenges than other places,” he said. “We are the premier hospitality town in the state. We built our entire city on not being socially distant.”

The coastal panhandle town of Apalachicola, which has no confirmed coronavirus cases, only last week decided to implement a one-week ban on short-term lodging, said Mayor Kevin Begos. But some local companies, such as real estate offices and fishing charters, remain open.

The uncertainty has affected businesses. Joey Conicella and his husband, Alex

Marin, who own the Hungry Pants restaurant in Orlando, said a swift statewide shutdown would have allowed them to unwind operations and plan for the interruption more effectively.

“Having this hodgepodge quiltwork made it not only unsafe, but super confusing,” Mr. Conicella said.

Mike Van den Abbeel, owner of Mosaic Hair Studio & Blowout Bar in Orlando, said the governor should have communicated more clearly. But he said he sympathized with the argument that closing the whole state isn’t necessary.

“We’re living out an ethical, medical conundrum,” Mr. Van den Abbeel said. “How much do you shut down to protect the older people versus how much do you harm everybody by causing a global recession?”

Households Are Set To Receive Payments

By John D. McKinnon

WASHINGTON—The government will begin sending out stimulus payments to households in the next three weeks and will distribute them automatically, with no action required for most people, officials said.

But some seniors and others who typically don’t file returns will need to submit a simple tax return to receive the economic-impact payments, the Treasury and Internal Revenue Service said in an announcement.

The payments will provide \$1,200 to most adults and \$500 for children under age 17.

The government will create a web portal for people who haven’t already provided their direct-deposit information to upload it to the IRS so they can get their money more quickly, the IRS said.

Almost any adult with a Social Security number can qualify, as long as a person isn’t a dependent of someone else. Qualifying adults also get the payments for children in their household. People with little or no income will qualify, meaning money will flow to retirees and people who don’t normally file tax returns.

People who filed a return for tax year 2018 or 2019 don’t need to do anything else to receive the funds. But those who don’t usually have to file returns will need to file to receive the payments, the IRS said. The IRS said its website will soon provide information at [IRS.gov/coronavirus](https://www.irs.gov/coronavirus) instructing people in these groups on how to file a 2019 tax return with simple information including their filing status, number of dependents and direct-deposit bank account information.

Officials Prepare for More Cases

Continued from Page One

confirmed infections, the most of any country, according to data compiled by Johns Hopkins University, though the country’s 3,040 deaths are far less than in Italy and Spain, Europe’s worst-hit nations. The U.S., Italy and Spain have all surpassed China in total cases.

Globally, confirmed cases of the new coronavirus have passed 785,000, according to data compiled by Johns Hopkins University. Testing for the deadly respiratory virus hasn’t been uniform across the U.S. or globally, making accurate case counts hard to pin down.

National, state and local governments took new steps to try to contain the virus’s spread, even within their own ranks. Is-

rael said Monday that Prime Minister Benjamin Netanyahu will go into isolation after an adviser tested positive for Covid-19. British Prime Minister Boris Johnson’s most senior adviser, Dominic Cummings, is isolating at home after showing signs of the new virus.

U.S. Rep. Nydia M. Velázquez (D., N.Y.) said Monday she had been diagnosed with a “presumed” case, becoming the sixth member of Congress to be diagnosed or presumed to have the virus. On Friday, the congresswoman tweeted that she was in Washington, D.C., to pass the \$2 trillion virus-relief

package. House leaders had wanted to pass the vote without a quorum call, but Rep. Thomas Massie (R., Ky.) forced the issue, and members filled the chamber.

House Speaker Nancy Pelosi (D., Calif.) pushed back against the idea of quickly shifting to remote voting as one way to keep lawmakers safe.

The U.S. military has ordered local commanders not to release locations where members of the armed services have tested positive, saying publicizing those details could compromise operational security. Instead, the Pentagon said each military ser-

vice as a whole would release a daily summary of its cases.

The change comes amid rapidly growing numbers of coronavirus infections within the military. As of Monday, 569 service members tested positive, according to the Pentagon. A week ago, the figure was 134.

More states ordered residents to stay at home—with some officials emphasizing their orders are requirements, not suggestions. Maryland Gov. Larry Hogan, Virginia Gov. Ralph Northam and Washington, D.C., Mayor Muriel Bowser issued stay-at-home orders for people in their jurisdictions on Monday,

barring nonessential outside activity and threatening fines for those who disobey.

“We are no longer asking or suggesting that Marylanders stay home, we are directing them to do so,” Mr. Hogan, a Republican, wrote on Twitter.

Governors have also called for more supplies, stressing the severe shortages of equipment that medical professionals on the front lines need to do their jobs. A survey of mayors in 213 cities across 41 states and Puerto Rico found that more than 90% of cities didn’t have enough face masks for first responders and medical professionals, and 85% didn’t have enough ventilators.

In Chicago, officials said they would temporarily convert parts of the McCormick Place Convention Center to accommodate Covid-19 patients with mild symptoms—creating more availability in the city’s hospital system for those who need intensive care.

California Gov. Gavin Newsom outlined the launch of an initiative to recruit thousands of retirees and students near gradua-

tion to serve as medical workers as the most populous state prepares for a surge in cases over the next month.

While California had only about 6,500 confirmed coronavirus cases, Mr. Newsom said his office was gearing up to add 50,000 more hospital beds statewide.

President Trump said Monday that the U.S. should have enough medical equipment to handle the surge of coronavirus cases when they peak in the coming weeks.

The coronavirus pandemic has rapidly transformed into a global economic crisis, slamming airlines, retailers, manufacturers, hotels and companies in numerous industries.

In the U.S., struggling businesses and millions of people suddenly out of work are preparing for their first monthly bills since the crisis began unfolding there. Lawmakers are considering another stimulus package after completing a \$2 trillion package to help tide over businesses and households during the economic shutdown.

Coronavirus Daily Update

As of 10:27 p.m. EDT March 30	164,274 U.S. cases	3,040 U.S. deaths
785,709 World-wide cases	37,686 World-wide deaths	165,837 World-wide recoveries

Source: Johns Hopkins University Center for Systems Science and Engineering

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In these unprecedented times, America's biopharmaceutical companies are coming together to achieve one shared goal: the eradication of COVID-19. The decades-long investments we made in new technology, research and treatments have prepared us to act swiftly:

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- **We are dedicating our top scientists and using our investments in new technologies to speed the development of safe and effective vaccines**
- **We are sharing the learnings from clinical trials in real time with governments and other companies to advance the development of additional therapies**
- **We are expanding our unique manufacturing capabilities and sharing available capacity to ramp up production once a successful medicine or vaccine is developed**
- **We are collaborating with government agencies, hospitals, doctors and others to donate supplies and medicines to help those affected around the world**
- **We are working with governments and insurers to ensure that when new treatments and vaccines are approved they will be available and affordable for patients**

We all have unique roles to play and are confident that together we can be successful. And we won't rest until we are.

Learn more at PhRMA.org/coronavirus and bio.org/coronavirus



THE CORONAVIRUS PANDEMIC

Insurers Are Pressured to Pay Out

Lawmakers propose forcing money for lost business even as virus claims aren't covered

By LESLIE SCISM

Lawmakers and regulators are pressuring insurers to go beyond the legal language of policies to get cash to Americans amid the mounting cost of shutdowns from the coronavirus pandemic.

In at least three states, lawmakers have proposed forcing insurers to pay billions for business losses tied to government-ordered shutdowns. In other states, regulators are pushing insurers to expand coverage under personal-car policies to also cover certain commercial activity, such as delivery of takeout meals by owners and employees of restaurants.

Some regulators have declared moratoriums on cancellations and nonrenewals of policies. And some are urging car insurers to lower people's bills. These states note that policyholders now working from home don't have the commutes they used to and thus aren't on the roads as much.

This push comes despite specific contractual exclusions in most standard policies for claims stemming from viruses. As a result, some insurers are threatening court challenges over these efforts to rewrite policies and provide benefits that weren't priced in.



Businesses were boarded up in Seattle's Capitol Hill neighborhood over the weekend.

"If elected officials or courts require payment for perils that were excluded and for which no premium was ever collected, catastrophic results are likely to occur and we may deal with a second crisis: insurance insolvencies and impairments," said Charles Chamness, president of the National Association of Mutual Insurance Companies.

While insurers are pushing back on some fronts, they are accommodating in other areas.

Allstate Corp., Berkshire Hathaway Inc.'s Geico, Hartford Financial Services Group Inc., Liberty Mutual Insurance, Progressive Corp., Travelers Cos. and USAA are among those that have extended deadlines,

waived fees or taken other steps to help people avoid cancellations for nonpayment. Some also are approving the use of personal vehicles for food and other essential deliveries.

In Massachusetts, state Sen. James Eldridge said the depth of the pandemic has made bold legislative action a necessity. A bill he has proposed would require insurers to pay so-called business-interruption claims to small businesses even if policies contain virus exclusions.

"If we don't find a way to get some financial relief to the restaurant industry, many of these restaurants won't come back, and that is bad not only for restaurant owners and their

employees but the insurance industry," Mr. Eldridge said.

Under his bill, insurers would apply to the insurance commissioner for reimbursement for payouts, and the commissioner would be authorized to make assessments against business insurers to cover amounts paid, possibly over years.

Such legislation emerged in Ohio as well, following an unprecedented effort earlier in March by New Jersey's state Assembly to overwrite contractual exclusions in standard small-business policies. The New Jersey bill was tabled.

Insurers are in the bull's-eye partly because they appear flush with cash.

U.S. property-casualty insurers have hundreds of billions of dollars of "surplus," the industry term for assets minus liabilities. The figure was \$812.2 billion as of Sept. 30, the latest available, according to the Insurance Information Institute.

"It's not a slush fund for legislators across the country to distribute at their whim," said Robert Hartwig, an insurance professor at the University of South Carolina. Insurers' surpluses back up their ability to pay claims and cover unexpected hurricanes, earthquakes, wildfires and other disasters.

The legislative efforts to force insurers to pay for the excluded business-interruption claims have been among the most alarming to insurers. The cost could run in the tens of billions of dollars each month nationwide, according to trade group American Property Casualty Insurance Association.

Companies typically buy business-interruption policies to cover lost income following events that cause physical damage. The industry inserted exclusions into most standard policies following the SARS scare of the early 2000s to deny claims "due to virus or bacteria," brokers, lawyers and regulators say.

In a statement March 25, the National Association of Insurance Commissioners said swift action by Congress with taxpayer money was "the most effective and expedient means" to address small businesses' problem.

Airlines Advised to Apply for Grants by Friday

By KATE DAVIDSON AND ALISON SIDER

WASHINGTON—The Treasury released new details Monday night on how it will award grants and loans for airlines affected by the coronavirus pandemic and urged companies to submit some applications by Friday to begin receiving funds as soon as possible.

The aid was approved as part of a \$2 trillion economic relief package Congress passed last week, which included \$25 billion in grants, along with \$25 billion in loans and loan guarantees for passenger airlines, \$4 billion for cargo carriers and \$17 billion for other firms critical to national security.

The Treasury said Monday night that passenger and cargo airline companies should submit their requests for grants to cover payroll expenses no later than 5 p.m. on Friday or risk processing delays, and applications submitted after 11:59 p.m. on April 27 may not be approved.

Payroll-support grants will be based on an airline's total salaries and benefits paid to employees from April 1 through Sept. 30 and are contingent on the companies refraining from involuntary layoffs, furloughs or salary reductions during that period, the Treasury said.

Companies must also identify in their applications any financial instruments, such as warrants or equity, and proposed terms "to provide appropriate compensation for the government," the Treasury guidance said.

The law authorized Treasury Secretary Steven Mnuchin to take a stake in airlines as part of the grant and loan pacts.

As part of the grant-approval process, the firms must sign payroll-support agreements that detail the terms, as well as any limits on executive compensation required under the law and provisions to claw back the funds if a company fails to satisfy the terms and conditions.

Airlines and labor unions pushed hard for half of the government assistance to come in cash that carriers could access immediately and use to keep paychecks flowing.

Scammers Try to Cash In on Virus Panic

By SADIE GURMAN

Danita Sienknecht was on a car ride with her husband one recent morning when a stranger called her with an outlandish offer. If she wired him \$4,000 overnight, someone would show up at her door the next morning with two doses of a coveted coronavirus vaccine she knew doesn't exist.

The caller, who knew her name, said he was at a Holiday Inn not far from her southwest Missouri home and told the 84-year-old to send the money right away. He called her 29 more times when she refused to call back.

"I knew I had to report it," Ms. Sienknecht said.

Authorities are being flooded with complaints as scammers try to cash in on the nation's panic over the coronavirus by peddling fake cures, soliciting donations to

phony charities and selling needed items like masks, hand sanitizer and toilet paper at jacked-up prices.

The Federal Trade Commission said on Monday it had received at least 7,283 complaints of coronavirus-related scams in the first three months of the year, with \$4.6 million in reported losses.

"I don't think I have ever been as busy as I have been since early February," said Colleen Tressler, a consumer education specialist with the FTC, who has been urging people to pause and consider offers of help or promises of treatment before opening their wallets or clicking unusual links.

The agency, whose mission is to protect people from fraud and deception, so far has sent warning letters to at least seven businesses that authorities said were hawking products that falsely claim to treat

coronavirus, such as teas, essential oils and colloidal silver.

A Brooklyn, N.Y., man, Baruch Feldheim, was arrested Monday for allegedly coughing on FBI agents while claiming to have coronavirus as they were investigating his stock-

‘They are going to cast as wide of a net as possible and see who gets caught.’

piling and sale of surgical masks, N95 respirators and medical gowns, prosecutors said. They said he sold the items to doctors and nurses, sometimes at a 700% markup. It couldn't be determined if Mr. Feldheim, 43, had a lawyer.

Elsewhere, FBI agents on

Monday arrested Erik Santos, 49, in Georgia after he allegedly solicited and received kickbacks from testing companies in exchange for referring people for Covid-19 tests they apparently didn't need and that Medicare would pay for. His lawyer couldn't be reached for comment.

In Michigan, where the state's attorney general has a team of special agents to field price-gouging complaints, authorities said a pair of businesses marketed a patch that they falsely claimed would provide immunity from the virus.

New York's attorney general warned of scammers seeking consumers' bank information by claiming to be able to provide early access to federal stimulus payments—before President Trump had signed the \$2 trillion economic relief plan.

In Southern California, federal prosecutors said actor

Keith Middlebrook, 53, told his millions of Instagram followers he had developed a coronavirus prevention pill and injectable cure before he was arrested last week while delivering the bogus drug to an undercover FBI agent.

Court records don't list an attorney for Mr. Middlebrook, who couldn't be reached.

"Scammers are just opportunistic people," Ms. Tressler of the FTC said. "They are going to cast as wide of a net as possible and see who gets caught."

AARP has received reports of a range of scams, including people receiving text messages falsely claiming to be from the U.S. Department of Health and Human Services asking them to click a link to take a "coronavirus preparedness test" that instead downloads malware onto their devices, said Kathy Stokes, the organization's director of fraud prevention programs.

Parents Cave In To Chaos

Continued from Page One winning.

Mr. Chancellor, a 35-year-old Orlando, Fla., resident who does marketing for the National Restaurant Association, says he's working hard to avoid the "Friday" on the somewhat satirical schedule he posted on social media. He and his wife are striving to make most days look like Monday or Tuesday but they allow for some improvisation. "During lunch time he wants us to come out and just pelt him with water balloons," he says.

Derek Coburn, father of 10-year-old Dexter and 7-year-old Caleb, has revised his schedule a few times. "We are actually on our third schedule now," says Mr. Coburn, a 43-year-old in Washington, D.C., who runs a wealth-management business. "The first two didn't work out all that well." The current schedule has slots for journal writing, exercise and chores—along with free time and family fun. Not to be forgotten: the kids' daily noon dance party with their friends on Zoom.

Rather than setting a schedule, Whitney Glockner Black, gives her three boys, ages 4 to 9, certain things they need to do at some point during the day. The 45-year-old director of marketing and communications for a San Francisco-based consumer cybersecurity company, moved to her mom's house in Sonoma County this month with her husband, sons, cat and 10-week-old puppy. "We're just trying to maintain social order



'During lunch time he wants us to come out and just pelt him with water balloons,' says Daniel Chancellor of his son, Elijah.

in our house," she says.

She also came up with some ground rules. Among them: Don't graze on snacks, do chores and don't get hurt.

Added a few days later: Anything used as a weapon will be confiscated.

"We found [the boys] in my dad's garage using golf clubs as swords," she says.

Natasha Kamrani, who has a 16-year-old son and 17-year-old daughter, found the serious schedules popping up on social media were more designed for younger kids. So she came up with her own sample schedule for teenagers: 11 a.m., wake up; 11:30, yell upstairs to mom that you're hungry while she's on a work Zoom call; 12:15, complain

about the food.

She was only half-joking. "It's pretty much just what actually happens in our household," she says.

Then there's the family fight from 6:30 to 7 p.m. "In the morning there's a lot of eye-rolling," says Ms. Kamrani, a 51-year-old Nashville, Tenn., resident who does full-time education advocacy. "In the afternoon, we just hide from each other. In the evenings, it's just like we can't do it anymore."

Amber Sparks, a 42-year-old writer who has a day job for a labor federation, thought she had the magic weapon for occupying her 4-year-old daughter, Isadora: "Frozen" and "Frozen 2," both streaming on

Disney+.

Her schedule on one part this month included blocks of time for both movies during the day, followed by another screening of "Frozen 2" in the evening.

There was only one problem. Her daughter had grown cold on "Frozen."

"I'm so shocked. I actually feel a little bit betrayed," says the Washington, D.C., resident. "I've had to let her watch things like this god-awful mermaid adventure show that she loves."

Anna Sedelmaier started out with charts and plans and Bingo "incentive" boards for her 4- and 9-year-old sons, Charlie and Gavin.

By the end of one day she found herself locked in a room by herself watching "The Office" while Charlie and Gavin "beat the crap out of each other with plastic lightsabers in the basement."

"I kind of gave up on the idea of a schedule," says Ms. Sedelmaier, a criminal prosecutor in Chicago who is primarily working from home now. "We just have goals for the day."

The meticulously plotted schedules of other parents circulating still makes her a little anxious, she says. "Kids in general are overscheduled," she notes, and parents complain of the same. "So maybe now we can undo some of that ridiculousness."

Lawmaker Stock Trades Are Probed

By ARUNA VISWANATHA AND DAVE MICHAELS

The Justice Department is examining whether lawmakers traded ahead of the market turmoil caused by the coronavirus pandemic based on confidential briefings they received, according to a person familiar with the matter.

As part of that inquiry, the Federal Bureau of Investigation has reached out to Sen. Richard Burr (R., N.C.), said the person.

Mr. Burr—who sits on two committees that received detailed briefings on the growing epidemic, including one on Jan. 24—sold on Feb. 13 shares of companies worth as much as \$1.7 million that he owns with his wife. That saved the couple at least \$250,000 in losses based on what those stocks were worth March 19, the Journal has reported.

The lawmaker has said he based those decisions on public information and asked the Senate ethics panel to review his trading. An attorney for Mr. Burr, Alice Fisher, said he would cooperate in the Senate review "as well as any other appropriate inquiry."

"Senator Burr welcomes a thorough review of the facts in this matter, which will establish that his actions were appropriate," said Ms. Fisher.

Mr. Burr was one of several members of Congress who sold hundreds of thousands of dollars in stock after lawmakers attended sensitive, closed-door briefings about the threat of the new disease—weeks before the outbreak sent the stock market plummeting.

GM Retools To Pump Out Ventilators

By Mike Colias

When President Trump last week criticized **General Motors** Co.'s effort to produce ventilators, GM executives were flabbergasted. They felt the company was being unfairly targeted by the president, people familiar with their thinking say.

GM had begun collaborating with a ventilator company a couple of weeks earlier. It had mobilized more than 1,000 employees and nearly 100 auto suppliers to start making the machines, which can be used to help patients with the disease caused by the new coronavirus.

"We won't let it deter us," GM global manufacturing chief Gerald Johnson said in an interview over the weekend. "Every ventilator is a life."

From GM's account, the car maker has been hustling to do its part since mid-March.

Mr. Trump on Friday expressed frustration with the timeline, expecting the company and its ventilator partner, Ventec Life Systems, would be able to ramp up faster.

On March 19, four GM engineers, including the company's manufacturing chief for North America, boarded a late-night flight from Detroit to Seattle.

By daybreak, they were huddled in a conference room at Ventec, a small maker of ventilators whose entire operation is smaller than some GM car dealerships. Ventec executives had turned over blueprints for the roughly 700 parts that go into its ventilator to the GM engineers, hoping to get their help scaling up production.

The GM contingent, which usually specializes in designing and sourcing parts for building vehicles, used their smartphones to take videos of the toaster-sized machines being built by hand. A box of parts was overnighted to Michigan.

"The ramp-up schedule we're committing to is faster than anything we've ever done," said Phil Kienle, GM's head of manufacturing in North America, who was among the GM team that visited Ventec and described the effort in an

interview Sunday. "We're all outside our comfort zone."

A shortage of the machines for patients with the disease, Covid-19, has sent government officials and the private sector scrambling. Manufacturers from GM, **Ford Motor Co.** and **Tesla Inc.** to medical-device giants like **Medtronic Inc.** and even British vacuum-maker Dyson are gearing up to boost production. Governors and hospitals are pleading for more and warning of the need to ration the machines.

Ford said Monday it is working with **General Electric Co.** to make 50,000 ventilators at one of the auto maker's facilities in Michigan by early July.

Medtronic on Monday said it would publicly share the design specifications for a ventilator product to allow other companies to explore rapid production of the devices.

GM disclosed on March 20 that it was working with Ventec to expand ventilator production. Ventec was taking the lead on discussions with the Trump administration, and three days later, submitted paperwork to supply the federal government with ventilators, people familiar with the matter said.

Ventec had provided a range of possibilities for monthly production of ventilators, with one as high as 20,000 a month, these people said. Each scenario required a gradual increase for the GM operation to get up and running, they said.

The Trump administration was under the impression it could move to full production faster. "They said they were going to give us 40,000 much needed Ventilators, 'very quickly,'" Mr. Trump said in a Twitter post Friday. "Now they are saying it will only be 6000, in late April."

Over the weekend, GM sought to emphasize the extent of the company's efforts to administration officials, a person familiar with the matter said. The president's tone changed Sunday, saying the auto maker is doing a "fantastic job."

GM said it would start producing ventilators at one of its

THE CORONAVIRUS PANDEMIC



General Motors and Ventec Life Systems are converting a facility in Kokomo, Ind., into use for the production of Ventec ventilators.

facilities in Indiana and eventually ramp up to 10,000 of the machines a month, although only a few thousand will be made in the first several weeks.

The auto industry has been drafted to help during past national crises. GM and Ford built trucks and aircraft for allied forces during World War II, part of a broader effort by American industry known as the "Arsenal of Democracy." Ford in the 1940s developed an "iron lung" to help polio patients.

There is little overlap between making cars—a highly automated process involving fast-moving assembly lines and robotic welding machines, which plays out in vast factories, some the size of 100 football fields—and the labor-intensive job of building ventilators, which are largely hand-built at small workstations.

But car companies are being called on to help because they typically work with thousands of parts suppliers—many making components similar to those needed for a ventilator—and are accustomed to manufacturing at a large scale.

At the same time, car makers have been in crisis mode. On March 18, GM said it would shut most of its North American factories to prevent the virus from spreading among workers. GM is scrambling to conserve cash, drawing down billions of dollars in credit lines and deferring 20% of pay for nearly 70,000 salaried workers globally.

But it did move forward on the ventilators, after Kenneth

Medtronic Shares Design Documents

Medtronic PLC said it would publicly share the design specifications for a ventilator product to allow other companies to explore producing it rapidly to help meet demand driven by the new coronavirus.

The company posted online the design documents, service manuals and other information for its Puritan Bennett 560, which is sold in 35 countries. The company plans to post software code and other information shortly. Medtronic has ramped up production of another of its ventilators in recent

weeks, the Puritan Bennett 980.

"By openly sharing the PB 560 design information, we hope to increase global production of ventilator solutions for the fight against Covid-19," said Bob White, executive vice president and president of the minimally invasive therapies group at Medtronic.

Ventilators are needed for people severely ill with the coronavirus who have trouble breathing on their own. Hospitals and state officials have increased orders for the machines, and manufacturers have boosted production, but some health experts say there may not be enough to meet a surge in cases in coming weeks.

—Peter Loftus

Chenault, a former **American Express** Co. CEO helping to mobilize executives to fight the coronavirus outbreak, called GM's CEO Mary Barra and suggested her team talk to Ventec.

An initial flurry of conference calls between GM and Ventec executives revealed the magnitude of the task: the companies envision expanding Ventec's output more than 20-fold, eventually to more than 10,000 ventilators a month. But the supply chain could never handle those volumes, the teams concluded, because ventilator suppliers are being flooded with requests to crank up production.

On March 20, Ms. Barra talked to Shilpan Amin, who is a few months into his job as

head of GM's massive parts-purchasing arm. Ms. Barra gave Mr. Amin 48 hours to figure out if GM's supply base could source every single part so that GM could set up its own factory to build them.

By then, some of the videos and documents from Ventec's headquarters had made their way to Mr. Amin's people in Detroit. Hundreds of GM purchasing managers were assigned to fan out across their supplier contacts in search of recruits.

Around 10:30 p.m. that night, Tracy Skupien, operations director for Detroit car parts supplier Tompkins Products Inc., was at home when an urgent call from her contact at GM interrupted her

glass of wine. He was about to email her detailed blueprints and specifications for 40 metal ventilator parts.

"He needed to know which ones we thought we could start making within a week," she said. "I said, 'We're on it.'"

Her company got a contract for three aluminum parts and began building them last week at two plants being run by skeleton crews in Detroit, where Covid-19 cases are rising sharply.

By Saturday, inside a large conference room at GM's engineering hub in suburban Detroit, ventilator parts were spread across tables for inspection. Dozens of supplier representatives streamed through to get a closer look at the parts. In between visits, cleaning crews descended on the room to disinfect the widgets and surfaces.

In recent days, workers at an idled GM facility in Kokomo, Ind., were ripping out carpet and knocking down walls to install large workstations where hundreds of union-represented factory workers will assemble ventilators. The employees volunteered for the job even as other car factories remain shut down to prevent the spread of the virus.

"It was my choice to come in and work here," said Brian Shirley, a millwright helping to install equipment at the factory. "It's a great opportunity to help the public."

—Michael C. Bender contributed to this article.

A Miami Janitor Still Cleans the Office

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](https://www.wsj.com/makingitwork).

By Lauren Weber

The new coronavirus has emptied out cubicles and desks across America. Many of the buildings that house these offices, however, remain open to accommodate businesses with essential work to do.

This provides a lifeline for Elsa Romero, a 56-year-old native of Honduras who has been cleaning offices, homes and other facilities for 20 years. Ms. Romero, a diabetic, cleans two floors at the Miami Tower, earning the \$700 to \$800 a month in take-home pay needed to cover her expenses, including a bare-bones health insurance plan.

Ms. Romero can't afford days off, so the continued demand for the skyscraper's upkeep from cleaners like herself is essential for her well-being.

"I don't have the luxury to stay home because it's not like I would stay home and get paid," she said through a translator from the Service Employees International Union. She doesn't receive paid sick days from her employer, SFM Services Inc., a janitorial contracting company.

Ms. Romero's shift runs from 6 p.m. to 11 p.m., paying \$9 an hour. She is part of a group of employees seeking to unionize.

The city of Miami Beach directed all hotels to close last week, and Miami-Dade County has shut beaches, parks, bars and restaurants. Many Floridi-



Elsa Romero's commute to and from work requires catching two buses and takes up to two hours each way.

ans avoid regularly leaving their homes.

Because many of the people working at the Miami Tower have the luxury to work from their homes, Ms. Romero finds herself cleaning spaces that largely go unused.

This has lowered the concerns she had been having about picking up the virus at her job. It also provides time for deep-cleaning and sanitizing areas she normally can't address in a regular shift.

"We're doing the baseboards, the tops of furniture," she said. "We'll make everything shine now so when the clients come back everything looks good."

The commute to and from work requires catching two buses and takes up to two hours each way—time spent worrying another rider may come too close. "I get a little anxious when I'm riding the

bus," she said.

The future also provides a dose of anxiety.

"I'm scared of course because I have to pay my bills," she said. "The work is still here, obviously there's much to do, and I think that's why we're still here."

And she fears falling behind on her bills and relying on her two adult children to provide for her. "I don't want to be a burden to my daughters," she said.

Ms. Romero arrived in the U.S. from Honduras in 1988, and lives alone in a trailer in northwest Miami.

SFM Services has given cleaners training about staying safe, she said, encouraging them to change gloves often, wash their hands and use antibacterial lotion. They were also instructed to enter elevators only two at a time with

their carts, instead of many squeezing in tightly together as they did before.

SFM doesn't provide masks, Ms. Romero said. She has tried to purchase some, but they are hard to find. The company didn't have an immediate comment on the situation.

Ms. Romero's health insurance doesn't cover the full cost of her insulin, so she rations it carefully. Recently, she went to the hospital at midnight because she had lesions on her feet. She was kept under observation until 2 p.m., and then went to work at the normal start time.

Ms. Romero doesn't envision finding another job in the near term if this one goes away.

"I don't have a plan B," she said. "I couldn't apply for another job because everything is closed. It would be terrible for me."

Oil Prices Continue To Fall

Continued from Page One

cur because of restrictions on travel and movement in place around the world to fight the virus, leaving traders to project a massive surplus of oil and even-lower prices ahead.

"The longer the stay-at-home-orders are in place, the worse it gets," said Andy Lipow, president of Houston-based consulting firm Lipow Oil Associates. "The demand door was slammed shut into the face of the oil industry."

While U.S. crude futures are near \$20, regional prices in places like Midland, Texas, are even lower, underscoring the existential threat facing energy producers. The slide is set to dent economic growth for emerging markets, potentially exacerbating the fallout.

As the pandemic slashes millions of barrels a day from oil consumption, a price war between Saudi Arabia and Russia has made the rout even more painful. The world's leading energy exporters, along with the Organization of the Petroleum Exporting Countries, weren't able to reach a deal to lower supply this month and are now set to make a global glut even bigger.

To help protect U.S. energy producers, the Trump administration is considering intervening in the Saudi-Russian oil-price war, and Texas regulators are weighing whether to curtail crude production for the first time in decades, The Wall Street Journal reported this month.

Shale producers **Pioneer Natural Resources Co.** and **Parsley Energy Inc.** sent a letter Monday requesting that the Railroad Commission of Texas hold a hearing on the idea of curbing crude produc-

tion, the Journal reported.

In an interview on Fox News on Monday, Mr. Trump said, "we don't want to have an industry that's wiped out" and that Saudi Arabia and Russia "both went crazy."

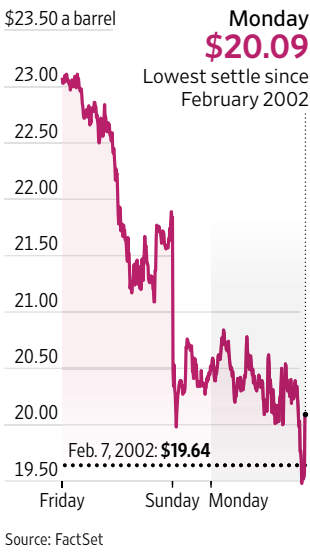
"I never thought I'd be saying that maybe we have to have an oil [price] increase," he added. He had for years called for lower fuel prices.

Mr. Trump later spoke by phone with President Vladimir Putin of Russia, and they agreed on the importance of stability in global energy markets, White House deputy press secretary Judd Deere said.

Shares of U.S. energy companies rose alongside the broader stock market Monday, but the S&P 500 energy group is still down 52% for the year. Many companies—including **Exxon Mobil Corp.**, **Pioneer** and **Parsley**—have pledged to cut spending in response to the crisis.

Monday's slide in crude reflects a new view that even cutting supply might not be enough to boost oil prices with the transportation industry at a standstill. Brent crude, the global gauge of oil prices, fell 8.7% to \$22.76 a barrel, another signal that a longer economic shutdown could batter the oil patch even more.

U.S. crude-oil futures price



Macy's, Gap Idle Most Staff

Continued from Page One
most of its sales. It isn't clear when its stores will be able to reopen. Macy's employs about 125,000 people and said most will be furloughed, but it will continue to provide health benefits for its workers. Gap said that with planned store closures extending beyond its initial April 1 target, it is furloughing the majority of store workers in the U.S. and Canada, or about 80,000 people, but will continue to pay applicable benefits until stores reopen. The apparel seller said it is also laying off an undisclosed number of corporate employees. Gap employed 129,000 people as of Feb. 1.

Kohl's Corp. is furloughing store workers and some corporate staff. The company will continue to provide health benefits for furloughed workers. The company employs about 122,000 workers. The parent company of Ann Taylor and Lane Bryant is also furloughing all store associates and half its corporate staff. Ascena Retail Group Inc. will continue paying benefits to furloughed employees. It is also cutting executive pay. As of Aug. 3, it employed 53,000 people. Though some companies including Walmart Inc. and Amazon.com Inc. are adding workers to meet surging demand, a larger number of employers have trimmed their payrolls to try to offset sharp declines in revenue. The stimulus package passed last week includes incentives for businesses to retain workers, but federal efforts to backstop employers haven't been enough for some companies facing an extended revenue squeeze.

A record 3.28 million people filed for unemployment benefits in the week ended March 21. Gap said Monday it was directing its employees to apply for temporary jobs at other retailers that are open and hiring. Macy's, Gap and other big retailers have drawn down their credit lines or suspended dividends and share repurchases to preserve cash. After initially paying workers while stores were shut, several are deciding now to stop paying workers as they extend store closures. A few brands such as Nike Inc. and Lululemon Athletica Inc. have said they would continue to pay staff while stores are closed. L Brands Inc. said Friday it would furlough most U.S. store staff starting April 6. The parent of Victoria's Secret and Bath & Body Works employed 94,400 people, including nearly 69,000 part-time staff, as of Feb. 1. Like Macy's, L Brands will continue

to grant existing health-care benefits to its furloughed employees. Macy's told staff on Monday it would continue to pay health benefits and cover 100% of premiums at least through May. It will keep on some staffers to support its e-commerce operations, distribution and call centers. Executives have taken pay cuts. Janet Dee, who has worked for Macy's for 43 years, most recently as a sales associate in the housewares department of a store in Queens, N.Y., found out about the furloughs from a notice posted on Macy's website. The 68-year-old widow said

she's worried about making her mortgage, car and credit-card payments without her salary. "I'm trying not to spend any money other than what I have to for groceries," Ms. Dee said. Macy's first tried other measures to conserve cash, including suspending its dividend, drawing down its credit line, delaying the time it takes to pay suppliers and canceling some orders. The company told employees that those measures weren't enough given that stores will remain dark well beyond April 1, when it had hoped to reopen locations. Macy's, like other department store chains, was struggling with sluggish sales before the health pandemic hit. Before Monday's announcement, analysts at Cowan & Co. estimated that the retailer had enough cash to last five months, assuming stores remain closed for that entire time. The retailer said it plans to bring employees back on a staggered basis once business resumes.

About 8% of Macy's workers are unionized and it isn't clear how the furloughs will apply to them in particular. The Retail, Wholesale and Department Store Union, which represents about 6,000 Macy's and Bloomingdale's employees in the New York region, is in discussions with the retailer over employee pay and benefits, according to union President Stuart Appelbaum. "Macy's needs to do much more for its employees than what they have announced so far," he said. The union had already negotiated that its workers get paid for the first two weeks that stores were closed, under an agreement that expires Wednesday, a union spokeswoman said. A Macy's spokeswoman said the company followed appropriate steps in coming to the decision to furlough workers and will continue to communicate with union leaders. —Dave Sebastian contributed to this article.

Fed Takes Uncharted Course

Continued from Page One
bank presidents and others who dialed in remotely. They made decisions in four hours that would usually take two days. "We learned our lesson. Moving early and aggressively is really important," said Patrick Harker, president of the Federal Reserve Bank of Philadelphia. "We needed to get the markets functioning." It's another transformation of the Fed's traditional role in American finance, as banks' lender of last resort, in a time of crisis. Congress has encouraged the Fed, working with the Treasury Department, to invent new ways to stem the damage, pushing the Fed into policy choices it has long preferred that elected officials decide. Mr. Powell and his colleagues have rolled out new programs at all hours of the day to keep markets functioning and otherwise-solvent businesses afloat. They are preparing to facilitate lower-cost lending for cities and states. Adding to the challenge, they have done much of this from their homes, as a health precaution, instead of from a Fed war room.

Fed's challenge

The current situation has no precedent in postwar America. Economic activity has been deliberately halted, the equivalent of a medically induced coma, to slow the virus. That means the Fed, rather than trying to kickstart growth, is instead focused on preventing credit from drying up to preserve the economy's capacity to produce once activity resumes. The big challenge for the Fed is that so much about the economy's future remains out of its control. If the virus overwhelms the Fed's power to preserve businesses' access to money, the result could be defaults and bankruptcies that turn a severe, synchronized global recession into a full-bore depression. The Fed's actions appear to have helped core pillars of the financial market to function for now. The danger is that new programs, even those launched very quickly, won't be ready in time to help revenue-starved businesses already burning through cash. Designing new programs also raises fundamental questions about which firms should get help and on what terms. Many economists now expect the U.S. economy to experience a severe recession. Goldman Sachs economists see it contracting at an annualized rate of 24% during the April-to-June quarter. Morgan Stanley sees the unemployment rate rising to 12.8% this spring—the highest on records that date to 1948. The economic outlook is more dire than after the 2008 financial crisis, making it easier for Mr. Powell to cast aside the nagging concerns that his predecessors faced as the housing bubble burst. Back then, officials were reluctant to cut rates as quickly because they weren't sure how bad the housing bust might get. Some were concerned that untested tools to purchase government debt might fuel excessive inflation. Others worried about the effect near-zero rates



The floor of the New York Stock Exchange on Nov. 20, 2008, above left, and on March 20, right. Below, Jerome Powell, chairman of the U.S. Federal Reserve, waited to begin a Senate Banking Committee hearing on Feb. 12.



would have on markets. Now, Fed officials have lent freely and purchased enormous amounts of debt, likely swelling its balance sheet to \$6 trillion this week from \$4.2 trillion in late February. Officials unveiled six new lending facilities, lending not only to banks, but also to businesses. As part of its rescue package, Congress kicked in \$454 billion so that the Fed can take on more risky lending, with programs expected to support trillions of dollars of borrowing. With credit markets beginning to rally last week, Mr. Powell fielded a phone call from President Trump, who earlier in the month had disparaged the Fed as "pathetic," the latest in a yearlong string of insults over his desire for lower rates, even when the economy was on a stronger footing. "I said, 'Jerome, good job. You really did it,'" Mr. Trump recounted later to reporters. "I was proud of him. That took courage." Mr. Powell, who goes by Jay, said little in response.

Calm demeanor

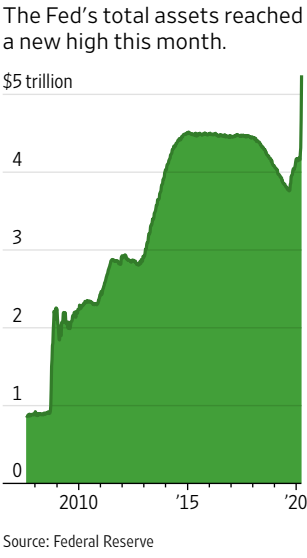
People who work with Mr. Powell, a 67-year-old lawyer who isn't an economist, say he has carried a calm demeanor throughout. That, they say, reflects his comfort with the team inside the central bank, the relationships he has cultivated across Washington and his experience studying the economy and financial markets during a career in private equity and a stint in the Treasury Department during George H.W. Bush's presidency. From his home office in the Maryland suburbs, Mr. Powell fields early-morning calls with central-bank counterparts abroad and late-night consultations with Treasury Secretary Steven Mnuchin. He relies on a specially configured laptop to access his Bloomberg data terminal, Wall Street's ubiquitous trading-desk tool. Mr. Powell has made clear that even with interest rates at zero, the Fed's firepower is limitless. "When it comes to lending, we are not going to run out of ammunition," he said Thursday in an interview on NBC's "Today" show. Just as Ben Bernanke, a leading scholar of the Great Depression, was praised by economists and his peers in government for being the right person to lead the Fed during the 2008



crisis, current and former colleagues say Mr. Powell is proving more decisive than more academically-minded colleagues in a job that is becoming more political. His feel for markets "is more second nature, and that gives him a greater level of confidence," said William Dudley, a former president of the New York Fed who served alongside Mr. Powell for six years. "If you're not as confident you tend to want to get more evidence before you move. He's responding very aggressively, and that's appropriate." When Mr. Powell traveled to Riyadh for a Feb. 22 summit of Group of 20 ministers and central bankers, the virus was tearing through Italy, Iran and South Korea, and markets had started to turn from record highs. Mr. Powell began emailing staff back in Washington that their policy plans would need to change. U.S. school closures and travel restrictions that would crimp the economy, until then a far-off hypothetical, were quickly becoming a reasonable base case. By the end of that week, with markets down more than 14% from their highs of one week earlier, Mr. Powell issued a rare statement under his name signaling rate cuts were likely. Fed officials met March 2 to agree to the first emergency rate cut in 12 years. By March 11, the uncertainty about economic disruptions panicked markets. Financial institutions began selling U.S. government securities, typically considered a haven, to raise cash after markets for corporate debt, mortgage-backed securities and other assets began

seizing up. Mr. Powell concluded the Fed couldn't wait until its regularly scheduled interest-rate policy meeting the following week to act. Fed officials decided to move up the policy meeting by two days to March 15. In between, the Fed accelerated previously planned purchases of Treasury securities in a bid to prevent strains from worsening. A key ally, Richard Clarida, a monetary economist who became vice chairman in 2018 after serving as a longtime adviser to bond giant Pacific Investment Management Co., dialed in from the New York Fed's lower Manhattan headquarters after driving from his home in Connecticut. That day, Fed officials received a briefing from Lorrie Logan, the manager of the Fed's portfolio. Ms. Logan ran through the range of distress: market vola-

Firepower



tility at highs, short-term funding markets seizing up, businesses unable to borrow in debt markets, Wall Street dealers flooded with transactions, hedge funds unwinding bond trades that became unprofitable when volatility soared. Particularly troubling was a widening gap between the higher prices for Treasury securities that were issued more recently than so-called off-the-run securities issued previously. The Treasury market sits at the foundation of the financial market, providing a backbone for everything from hedging trades to conducting monetary policy, and certain types of deteriorating trading conditions in this normally robust market signaled much bigger cracks forming. Officials agreed to what were once considered last-resort measures—the cut in the benchmark rate to near zero and open-ended purchases of Treasury and mortgage securities to bolster confidence and unclog markets. They also encouraged banks to tap the so-called discount window for emergency loans by reducing the rate on those loans to 0.25%, a record low, and by extending terms to 90 days. The Fed announced its actions at 5 p.m. eastern, before Asian markets opened. But they tumbled. The selloff moved on to Europe and, when U.S. markets opened, the stress spread to other assets. Mr. Powell then deployed the rest of Mr. Bernanke's crisis plan. Mr. Bernanke had broken the seal on a little-used but powerful provision—section 13(3) of the Fed's charter—that allows the Fed to lend broadly during a crisis. Mr. Powell now

kept that section tabbed on his computer screen. On March 17, the Fed unveiled a program at 10 a.m. to backstop markets for short-term corporate IOUs called commercial paper, and another at 6 p.m. to allow approved dealers of U.S. government debt to borrow against stocks and bonds. Still, the next day, money-market funds were besieged, unable to easily sell holdings of commercial paper to meet investor demands for cash. At 11:30 p.m., the Fed and Treasury announced a program to backstop prime money-market funds. Late that same evening, the European Central Bank had announced a new debt-purchase program to alleviate rising yields on certain countries' government debt. "Midnight announcements tell you there was an urgency to put a safety net under the system," said Torsten Slok, chief economist at Deutsche Bank Securities.

Financial bleeding

In the midst of that frenetic week, Mr. Powell started to work from home, as did many other Fed officials. The financial bleeding spread to the mortgage market, forcing sales of government-backed bonds by real-estate investment trusts. Officials, who had previously said the Fed would buy at least \$700 billion in government and mortgage bonds over months, now said it would purchase them within days. It is on track to have bought twice that by the end of this week. At 8 a.m. Monday, March 23, Fed officials unveiled their latest package: open-ended bond purchases and three new lending facilities for business debt markets. In moving so aggressively to keep the economy from being overwhelmed by the coronavirus, Mr. Powell has also transformed the Fed's role to being the lender of last resort not only to banks, but to businesses. To fend off criticism the lending favors big business, Mr. Powell is planning a new facility to help smaller firms. The Fed's task now is to get these programs working quickly. "We are moving aggressively in our thinking in how we help Main Street," said the Philadelphia Fed's Mr. Harker. "We're all seeing it right now walking around our neighborhoods. These are challenging times."

GREATER NEW YORK

Manhattan Condo Market Loses Traction

By JOSH BARBANEL

Just as the Manhattan residential real-estate market was shaking itself out of a multi-year slowdown, the party was suddenly over.

Sales spiked during the first quarter, but now the market has all but shut down, brokers say, as fears of the new coronavirus and worries about the economy take hold.

Beginning in mid-March, many sellers stopped adding new sales listings and pulled scores of listings on the market, according to UrbanDigs.com, a real-estate data and listing site.

That steep drop began even before Gov. Andrew Cuomo banned in-person real-estate showings.

The number of Manhattan contracts signed in recent weeks fell by half compared with the same period of 2019, and many of those deals were in the works before the full impact of the virus on New York, according to UrbanDigs.

The market freeze stopped a first-quarter recovery in its tracks: The number of Manhattan apartment sales rose by 11% in the first quarter compared with the same quarter in 2019, according to an analysis of property records by The Wall Street Journal.

Buyers were drawn in by gradually deepening cuts in asking prices by sellers. Median sale prices were down more than 6% in the quarter compared with the year-earlier period.

The number of annual sales of existing co-ops and condominiums reached a peak in 2015 and fell to its lowest level last year, before the rebound in the first quarter. But that short-lived recovery now looks like history.

“The market is dead, dead, dead,” said Donna Olshan, a broker who tracks the luxury Manhattan market.

Already, major brokerages have announced cutbacks. Compass told employees it had cut 15% of its staff. Realty, a publicly traded com-



EDUARDO MUÑOZ ALVAREZ/GETTY IMAGES

Construction on a new tower was ongoing last week in New York City. This month, many sellers stopped adding new sales listings.

pany that owns major brands such as Century 21, Corcoran and Sotheby’s International Realty, announced temporary salary and workweek reductions. Other firms are still assessing the situation.

Diane Ramirez, chairman and chief executive of Halstead, said managers are reviewing all aspects of the business.

“We know we have to be fiscally responsible,” she said. “We are doing a lot of talking about it.”

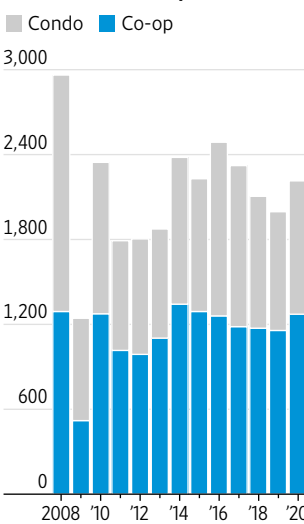
But she said some deals would continue during these periods, and when the current scare is over there will be a rebound as homes become even more important to people.

“If we can get back to our lives, there will be pent-up demand,” she said. “Everyone is living in their homes like they never have before and people are now evaluating: Is the home in the right configuration?”

UrbanDigs tracked listing and contract-signing activity week by week, before and af-

ter New York began shutting down. It found that in the week beginning March 16, 448 listings were taken down by sellers, compared with 119 in the same week in 2019, and

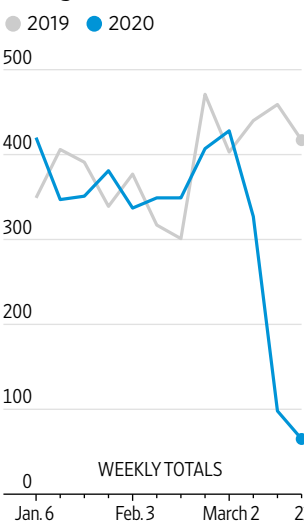
Manhattan first-quarter sales



Note: First-quarter sales data are through March 26 of each quarter. Listings data for the week of March 23 are projected from partial data. Source: WSJ analysis of finance department records (sales); UrbanDigs.com (listings data)

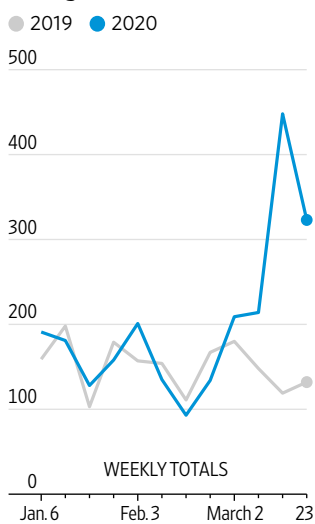
... but since then, new listings have plummeted ...

Listings added



and hundreds of listings were pulled.

Listings taken off market



more than any other week in 2019 and 2020. The following week 323 were pulled, according to preliminary data.

Noah Rosenblatt, the founder and chief executive of

UrbanDigs, said the market shutdown is somewhat similar to two other periods of market disruption in Manhattan—after the Sept. 11, 2001, terrorist attacks and following the fi-

nanacial crisis of 2008. In both periods the market froze for a time and then eventually rebounded. Prices recovered only gradually.

People who bought during these periods and could pay in cash were able to get large discounts. But he noted the current stoppage is different because this is the first time the government banned the showing of homes on the market and most other sales activity.

In the week beginning March 16, 109 contracts were signed compared with 214 in the same week of 2019. The number of contracts signed the following week fell to 67, according to preliminary data.

In the first quarter, the median price of a Manhattan apartment was \$1.065 million, a drop of 6.25% from the same quarter last year. The average price was \$1.88 million, falling 10.3%, because of a decline in sales of apartments for more than \$10 million.

Despite the slowdown, Nada Rizk and her partner Joanne Greene at brokerage Brown Harris Stevens have been busy these past few days, closing “virtual deals” in which lawyers, condo boards and title agents exchange documents electronically rather than sit around a table.

Ms. Rizk said some co-op boards have agreed to interview potential buyers by way of Skype or Zoom.

On Friday, the two brokers represented the seller of a \$3.495 million one-bedroom apartment at Manhattan’s Plaza Hotel. She said the buyers didn’t do a final walk-through before the closing and were told to pick up the keys from the doorman. The buyers, however, may not be able to move in until the virus crisis has passed.

Ms. Rizk’s deals were all negotiated before the virus hit, but she said she isn’t concerned about the future. “I feel like the market will come back once you have overcome this,” she said.

GREATER NEW YORK

ROCKLAND COUNTY

Victim of Hanukkah Stabbing Dies

A man who was among the five people stabbed during a Hanukkah celebration in Rockland County has died three months after the attack, according to an Orthodox Jewish organization and police department community liaison.

Josef Neumann, 72 years old, died Sunday night, the Orthodox Jewish Public Affairs Council said in a tweet. The funeral for Mr. Neumann, a father of seven and great-grandfather, was held Monday. No additional details were provided.

On Dec. 28, an attacker with a

machete rushed into a rabbi’s home in an Orthodox Jewish community in Monsey, an ambush Gov. Andrew Cuomo called an act of domestic terrorism fueled by intolerance and a “cancer” of growing hatred in America.

On Monday, Mr. Cuomo said he was “deeply saddened” to learn about the death.

In the days following the attack, Mr. Neumann’s family said the knife went directly into his brain.

The man charged in the attack, Grafton Thomas, had handwritten journals containing anti-Semitic comments and a swastika, federal prosecutors said. Mr. Thomas’s lawyer and relatives said he has struggled for years

with mental illness; they said he was raised in a tolerant home and hadn’t previously shown any animosity toward Jewish people.

Mr. Thomas was indicted on federal hate-crime charges as well as state charges. He has pleaded not guilty.

—Associated Press

NEW YORK

Gov. Cuomo’s Popularity Surges

Gov. Andrew Cuomo’s approval ratings soared this month as he responded to the growing novel coronavirus crisis, a poll shows.

A survey released Monday by the Siena College Research Institute found 87% of those questioned approved of how the Democratic governor has handled the pandemic. The poll also found 76% liked the response of their local health department; 74% approval for Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases; and 41% for both President Trump and Vice President Mike Pence.

Overall, the number of New Yorkers who view the governor favorably surged to 71% this month, up from 44% in February, the poll found. “At least 85% of voters from every region approve of his handling of the crisis, as do 95% of Democrats, 87% of independents and even 70% of Republicans,” said poll spokesman Steven Greenberg.

The college surveyed 566 registered New York voters between March 22 and 26. The poll has a margin of error of plus or minus 4.5 percentage points.

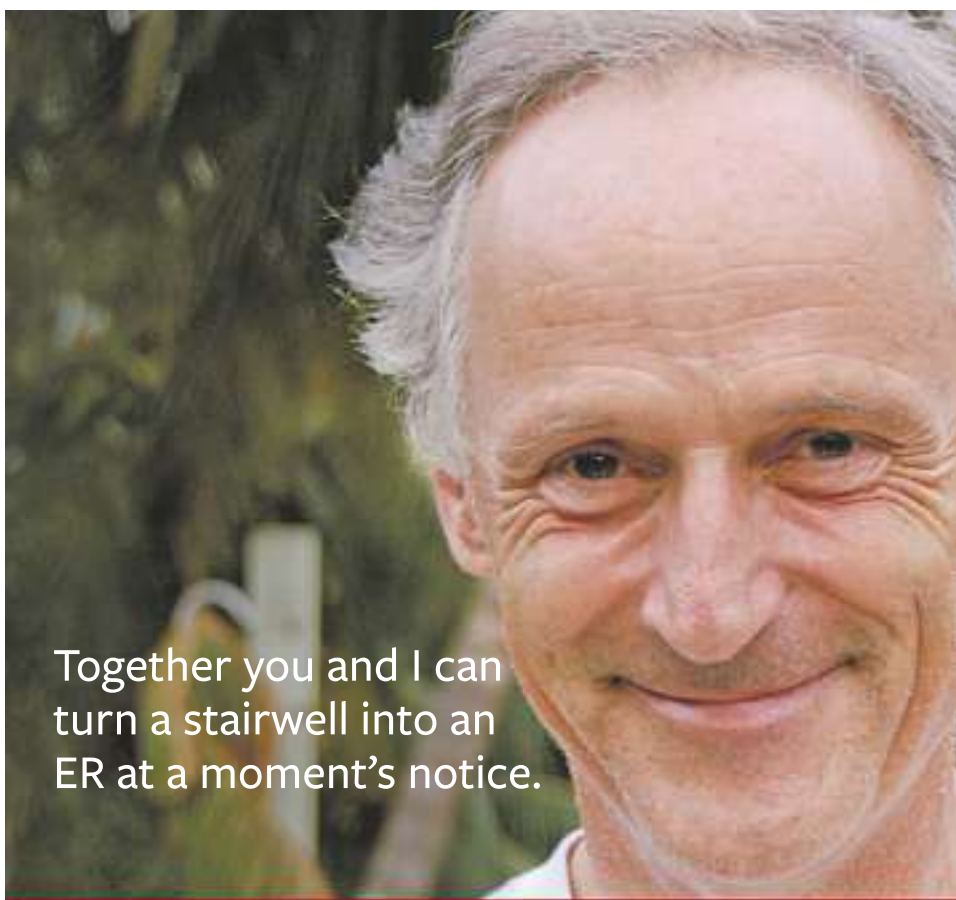
—Jimmy Vielkind

QUEENS

Tennis Center to Be Temporary Hospital

New York City’s emergency management office plans to build a 350-bed facility at the USTA Billie Jean King National Tennis Center in Flushing Meadows-Corona Park, part of the expansion of hospital space during the virus crisis. Construction could begin as early as Tuesday at an indoor training center at the facility, which has multiple courts and wide spaces, said a U.S. Tennis Association spokesman. The hospital beds will likely be for non-Covid-19 patients, said a city spokeswoman.

—Katie Honan



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Port-au-Prince, Haiti

Dr. Paul McMaster, Doctors Without Borders Surgeon



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GREATER NEW YORK

N.Y. Hospitals Agree to Coordinate Care

Leaders say they will participate in a new program to allocate beds, medical supplies

By BEN CHAPMAN

A U.S. Navy hospital ship arrived in New York City on Monday to help alleviate the strain of the coronavirus crisis on local hospitals, as Gov. Andrew Cuomo outlined a new statewide plan to coordinate medical care for the infected.

The USNS Comfort will provide 1,000 hospital beds to the city, which has become the epicenter of the virus's outbreak in the country.

After welcoming the ship on Manhattan's West Side, Mr. Cuomo held a news conference at Jacob K. Javits Convention Center, which is being converted into a 2,500-bed hospital and began receiving patients Monday.

The facilities at the USNS Comfort and the Javits Center are meant for noncoronavirus patients and will free up capacity for existing hospitals to treat patients with the virus, according to state officials.

New York had 66,497 cases of the disease statewide as of Monday, up from 59,513 cases on Sunday, according to state data. New York City had 36,221 cases as of Monday morning. The death toll in the state reached 1,218.

More than 9,500 people have been hospitalized, state data showed, leaving some city hospitals overwhelmed.

State and city officials have called on the federal government to provide additional beds, ventilators and personal protective equipment.

The governor said the peak of the state's outbreak is still weeks away and that the death toll would continue to rise.

Meanwhile, leaders of all the state's public and private hospitals on Monday agreed to take part in a new program to coordinate New York's scarcity of beds and medical supplies, the governor said.

Health-care providers across the state will share resources and move patients from at-capacity hospitals to less-crowded facilities, according to Mr. Cuomo.

"No one hospital has the resources to handle this," the governor said.



The USNS Comfort entered New York Harbor on Monday. The ship will provide 1,000 hospital beds for noncoronavirus patients to free up capacity at city hospitals.

As part of the plan, the State Department of Health will work with the statewide health-care system to create a command center to share information among hospitals about the supplies each institution has in stock and the supplies each hospital is ordering.

This central inventory system would help ensure purchasing and distribution of supplies is done strategically and efficiently, state officials said.

Under the arrangement, hospital systems across New York state also have agreed to share supplies and staff as needed, according to the officials.

With a crush of patients expected to strain New York hospitals in the coming weeks, Mr. Cuomo, a Democrat, said the state had begun to stockpile personal protective gear for medical workers, including respiratory masks, at a facility in New Jersey.

The New York governor

said one of the state's chief goals must be increasing hospital capacity.

At the start of the pandemic, New York had 53,000 hospital beds and 3,000 intensive-care unit beds. Its goal is to get to 140,000 hospital beds and 40,000 ICU beds.

On Monday, Mr. Cuomo said the state is making progress toward that goal with the addition of hospital beds at the Javits Center and the USNS Comfort.

At least seven additional temporary hospitals in locations around New York are slated to open starting next week.

Mr. Cuomo also has ordered existing hospitals to increase capacity by at least 50%.

New York City Mayor Bill de Blasio, a Democrat, said on board the USNS Comfort on Monday that he expects at least half of the city's residents to contract the virus, with a "horrible increase in the number of deaths."



People waited Monday to be tested for coronavirus outside Elmhurst Hospital Center in Queens.

Lawmakers Clash Over Medicaid in Budget

By JIMMY VIELKIND

Lawmakers and unions criticized Gov. Andrew Cuomo for pushing ahead with a plan to reduce Medicaid spending as part of the state budget due Tuesday even as New York responds to the novel coronavirus pandemic.

Several Democrats who control the state Senate, as well as labor and progressive groups, warned that cuts to the program, which provides health care to more than 6 million New Yorkers, would be devastating. They urged Mr. Cuomo to accept federal money approved earlier this month and to tax the wealthy rather than making reductions.

"It's absolutely insulting and it's just wrong," state Sen. Julia Salazar, a Democrat from Brooklyn, said of the Medicaid changes during a recent news conference.

The cuts, she said, would hurt poor patients and hospitals on the front lines of responding to the epidemic.

The Medicaid issue emerged as a late flashpoint in the budget after the virus shut down large segments of the economy and state tax receipts cratered. The Democratic governor's budget office predicted state revenues were somewhere between \$9 billion and \$15 billion below the \$88 billion projected in February.

"The problem with the budget is the numbers," Mr. Cuomo said Sunday. "I'm not going to pass or sign a phony budget."

The governor said he didn't support raising taxes. He proposed a \$178 billion spending plan in January, but has acknowledged in recent days that circumstances have changed to the point that it is basically moot. A planned 3% increase in the amount of state aid to public schools is



Many have urged the governor to accept federal money and tax the rich instead of cutting Medicaid, which helps more than 6 million New Yorkers.

now in doubt, he said.

However, Mr. Cuomo said he was forging ahead with a plan to reduce spending in the state's Medicaid program by \$2.5 billion.

The state approached its new fiscal year with a \$6.1 billion deficit, largely driven by Medicaid cost overruns. The governor filled the gap mostly by assuming higher revenues, as well as \$2.5 billion in savings from a so-called Medicaid Redesign Team of industry stakeholders.

The team's recommendations include decreasing the reimbursement rates the state pays for hospitals and nursing homes and changes designed to slow the growth of a long-term-care program in which sick or disabled New Yorkers hire assistants to help them at home.

State officials have looked

to Washington for help with the budget, but the governor said there were provisions in the second coronavirus stimulus bill approved by Congress that would block the redesign team's proposals and his plan to shift more Medicaid fund-

Gov. Cuomo plans to cut spending for the health program by \$2.5 billion.

ing responsibility back to New York City and the state's other counties.

U.S. Senate Minority Leader Chuck Schumer said that second stimulus bill would provide up to \$6 billion a year in additional Medicaid funding

for New York. Mr. Cuomo blasted Mr. Schumer, a Democrat from Brooklyn, for agreeing to the provision.

Mr. Cuomo and his budget director, Robert Mujica, said they believe the federal aid might be closer to \$4 billion and that they would rather push ahead with the redesign team's recommendations.

"It takes waste and fraud and inefficiency out of the system," Mr. Cuomo said. "I have no choice. Two-and-a-half billion per year recurring is worth more than \$6 billion one shot."

New York Senate Majority Leader Andrea Stewart-Cousins, a Yonkers Democrat, said in a television interview last week that the redesign team's proposals were conceived before the coronavirus pandemic and should be revisited.

American Federation of

Teachers President Randi Weingarten, whose union includes members in New York, said she was surprised by Mr. Cuomo's position.

"Right now, what's more important is to keep everybody afloat. It's puzzling to me," she said.

A third federal stimulus bill included \$5.1 billion of direct aid to New York to cover costs associated with the coronavirus. Mr. Cuomo again said the measure left New York short-changed because it did nothing to alleviate the state's vanishing revenues.

Given the uncertainty, Mr. Cuomo, Ms. Stewart-Cousins and Assembly Speaker Carl Heastie, all said they are discussing budget language that would give the governor the power to unilaterally cut state spending if its receipts didn't materialize.

Nursing Home Cases Soar

By MELANIE GRAYCE WEST AND ANNA WILDE MATHEWS

More than 1,000 nursing-home residents in New York state have been sickened by the new coronavirus and nearly 15% of the state's recorded deaths are among this population, according to data state health officials provided Monday.

There were 1,054 confirmed cases of Covid-19 in licensed nursing homes at 155 distinct facilities, the state reported. There are more than 600 nursing homes across New York.

Nearly 700 of those cases were among people living in New York City nursing homes, according to a spokesman for the New York State Department of Health.

Covid-19 has been spreading rapidly in nursing homes, resulting in large outbreaks and deaths across the U.S.

Nursing homes' older, often frail residents are particularly susceptible to the virus. And many nursing homes have long struggled with infection control, according to federal inspection records and researchers.

Last week, the state's health department told nursing-home operators they would be required to accept patients infected with the virus who are discharged from hospitals, citing an urgent need to expand capacity at overwhelmed hospitals. Some health experts cautioned the move could endanger other nursing-home residents.

A spokesman for the state health department said Monday that it continues to issue guidance on testing, visitation, staffing and infection control. "Protecting New York's most vulnerable nursing home population is a priority" in addressing the outbreak, he said.

THE CORONAVIRUS PANDEMIC



Police on Monday arrested an ultra-Orthodox man who opposed the closure of a Jerusalem synagogue to stem the coronavirus spread.

Israel’s Ultra-Orthodox Jews Lead in Cases, but Defy Curbs

By FELICIA SCHWARTZ AND DOV LIEBER

TEL AVIV—Israel is struggling to contain a concentration of coronavirus infections among ultra-Orthodox Jews, with the impact reaching Prime Minister Benjamin Netanyahu, who went into isolation after an adviser from the community tested positive. Mr. Netanyahu’s office said on Monday evening that his test for the virus, as well as those of his family and close staff, came out negative, though officials said he would remain in isolation as a precaution in keeping with Ministry of Health guidelines. While the ultra-Orthodox make up about 10% of Israel’s population, ultra-Orthodox patients account for 50% of those hospitalized with the coronavirus disease, Covid-19, according to an analysis by Israel’s Channel 12. Israel has 4,695 confirmed cases of the novel coronavirus as of Monday, with 16 deaths. Jerusalem, with a large ultra-Orthodox population, and the ultra-Orthodox city of Bnei Brak, have the highest infection rates, the Ministry of Health said. Israeli officials attribute the high infection rates among the

ultra-Orthodox to a failure to follow social-distancing guidelines, including by holding large weddings and prayer gatherings. The Health Ministry last week listed synagogues as the locations with the highest rate of infections. Mr. Netanyahu, in a televised address on Monday night, slammed what he said were certain groups that flouted health regulations, and

Officials said they are weighing special restrictions for some communities.

ordered law enforcement to crack down on such behavior. A minority that “isn’t disciplined endangers itself and the majority,” he said. Some in the insular ultra-Orthodox community said members weren’t defying public orders, but rather learning belatedly how much of a threat the virus poses. Chaim Epstein, an ultra-Orthodox member of the Jerusalem City Council, said ultra-Orthodox rabbis, who shun

most mainstream communication, weren’t listening to the radio or otherwise getting information about the dangers of the novel coronavirus. “They didn’t understand how bad the situation was,” he said. Rivka Paluch, Mr. Netanyahu’s adviser for the ultra-Orthodox community, said she had tested positive Sunday night. She didn’t respond to a request to comment. Israel isn’t the only country struggling to stem an outbreak among its religious communities. Iran emerged as one of the hardest-hit countries as clerics and worshipers were reluctant to interfere with religious traditions among foreign pilgrims and Iranians gathering at shrines in the holy city of Qom. Health officials in South Korea traced a large share of cases to the secretive Shincheonji Church. In Muslim-majority Malaysia, authorities have reported hundreds of cases linked to an Islamic religious gathering. To stem Israel’s outbreak, Mr. Netanyahu has imposed sweeping restrictions. Last week, the government began issuing fines to prevent people from leaving their homes other than for groceries or to go to the pharmacy. He also allowed the govern-

ment to collect GPS data to warn people who have come into contact with virus patients, but the program doesn’t reach most ultra-Orthodox, who largely don’t have phones connected to the internet. Police appear to have stepped up efforts to control the virus in the ultra-Orthodox community. On Monday, police in Mea Shearim arrested four people and issued fines of about \$1,400 each to 25 people participating in illegal gatherings. In some cases, people showed signs of resisting the stringent public-health guidelines. Israel’s national ambulance service said people in Mea Shearim, an ultra-Orthodox neighborhood of Jerusalem, hurled rocks at a volunteer who had arrived Monday in the neighborhood to collect samples for Covid-19 tests. The minister of health, Yaakov Litzman, who is leader of the ultra-Orthodox United Torah Judaism party, condemned the attack. Israeli officials said this week that they are considering special restrictions for several communities, including quarantining the entire city of Bnei Brak, where nearly all the 200,000 residents are ultra-Orthodox.

An Early Van Gogh Painting Is Stolen From Dutch Museum

By LAURENCE NORMAN AND KELLY CROW

In a brash overnight robbery, thieves stole a painting by Vincent Van Gogh from a Dutch museum that has been closed for the novel coronavirus lockdown, police said. The painting, “Parish Garden in Nuenen, Spring,” was snatched at 3:15 a.m. Monday after burglars smashed a glass door at the Singer Laren Museum in the town of Laren, 18 miles southeast of Amsterdam. It was the only artwork stolen. Police, alerted by an alarm, arrived to search the area but found no trace of the burglars. A Dutch police spokeswoman said authorities were seeking the help of local residents whose video cameras may have recorded the burglars. It is unclear whether the pandemic played any direct role in security staffing levels at the Singer Laren. The 1884 painting, which was on loan from the Dutch Groninger Museum since January, was one of several that Van Gogh made in Nuenen, where he went to live with his parents in the mid-1880s. The oil-on-wooden-panels painting is of the garden at the parsonage where his father served as pastor. The painting’s value isn’t

known, a spokeswoman for the Groninger museum said. The general director of the Singer Laren Museum, Evert van Os, said the museum’s security system operated entirely according to protocol. “This protocol, which we have already been following for years, is well-coordinated with our insurance experts,” he said. “Of course, we can learn something from this.” Monday’s theft wasn’t the first from the museum, whose collection contains art from the 1850-1950 period, including seven sculptures by France’s Auguste Rodin. In 2007, an original of Rodin’s statue “The Thinker” was among seven bronze items stolen from the museum’s sculpture garden. It was recovered two days later, badly damaged. “Parish Garden in Nuenen, Spring” was stolen on what would have been Van Gogh’s 167th birthday. The painting’s earthen palette and realistic style are characteristic of the artist’s early work. Today, these early works aren’t as prized by the marketplace as his later, signature works that feature his boldly colorful, roiling brush strokes, such as his 1889 icon, “Starry Night.”

China Manufacturing Perked Up in March

By JONATHAN CHENG

BEIJING—An official gauge of China’s manufacturing activity rebounded strongly in March as work resumptions picked up. However, economists warned that business activity remains far from normal after the coronavirus outbreak. China’s official manufacturing purchasing managers index jumped to 52.0 in March from a low of 35.7 in February, the National Bureau of Statistics said Tuesday. The result was higher than the median forecast of 51.5 by economists surveyed by The Wall Street Journal and above the 50 mark that separates expansion from contraction. A measure of nonmanufacturing PMI, also released Tuesday, showed service and construction activity similarly rebounding in March, to 52.3 from 29.6 in February.

But the data rebound is largely confined, for now, to an improvement in sentiment after two months in which the economy ground to a near-total halt as the coronavirus swept across China, forcing the government to implement strict prevention measures to prevent its spread. China’s statistics bureau cautioned that the rebound in manufacturing PMI didn’t mean China’s economic activity had returned to previrus levels, saying that it reflected the resumption of work after more than a month of idleness. Other more concrete economic indicators for March—including figures on foreign trade, industrial output, investment and consumption—will likely show steep year-on-year declines when they are released in the coming days, some analysts predict. —Grace Zhu and Liyan Qi contributed to this article.

WORLD NEWS

Saudis Invite Houthi Rebels, Yemen Government for Talks

By WARREN P. STROBEL

WASHINGTON—Saudi Arabia is in daily talks with Iran-aligned Houthi insurgents in Yemen and has invited Houthi representatives and the internationally recognized government in Yemen to peace talks in the kingdom, a senior Saudi official said. Saudi’s ambassador to Yemen, Mohammed al-Jaber, said the proposal for talks to end the five-year war, which has killed more than 100,000 people, remains on the table despite a flare-up in violence over the weekend. The Houthis haven’t yet responded to the offer, he said. Saudi authorities on Saturday said they shot down ballistic missiles fired by the Houthis at its capital Riyadh and another city on the Saudi border with Yemen. A Saudi-led military coalition on Monday responded with airstrikes in San’a, the first such strikes in Yemen’s capital in months. Mr. Jaber said Saudi officials spoke with their Houthi counterparts on Monday to emphasize that the San’a strikes were in response to Saturday’s missile attacks and not intended as a re-escalation of the conflict. “We are committed to our de-escalation,” Mr. Jaber said. “We are ready to have a ceasefire in all Yemeni territory if they accept it.” Houthi representatives couldn’t immedi-

ately be reached for comment. The oil-rich kingdom is seen as increasingly eager to extricate itself militarily from Yemen, where it intervened five years ago after the Houthis seized San’a and ousted the internationally recognized government. The Saudi intervention in Yemen has drawn criticism from U.S. lawmakers of both parties and others. The United Nations calls Yemen, plagued by famine and cholera, the world’s worst humanitarian crisis. “The standing invitation to the Houthis to meet face to face for talks after provocative attacks this weekend suggests the Saudis desperately want to end the war in Yemen,” said Elana DeLozier, a Yemen expert at the Washington Institute for Near East Policy. “Despite recent territorial gains by the Houthis, the Saudis have stood by their direct channel with the rebel group.” Efforts to end the conflict have been halting. The warring parties reached an interim peace agreement in December 2018. While that deal halted what the U.N. feared would be a catastrophic battle for the port of Hodeidah, it was never formally implemented and hoped-for talks on a broader settlement of the conflict haven’t happened. Mr. Jaber, speaking by phone from Riyadh, said that before this weekend’s violence,

the internationally recognized, Saudi-backed Yemeni government of Abed Rabbo Mansour Hadi and the Houthis had agreed to de-escalate the conflict and begin confidence-building talks. The Saudi offer of talks in the kingdom was undertaken at the request of Martin Griffiths, the U.N. special envoy for Yemen, Mr. Jaber said. Saudi Arabia and the U.S. have accused Iran of arming and training the Houthis. The Saudi-led coalition said in a statement that targets of its airstrikes on Monday included sites manned by experts from Iran’s Islamic Revolutionary Guard Corps. While Saudi officials have privately acknowledged they have held direct talks with the Houthis, Mr. Jaber went further. Since last year, he said, there have been daily telephone calls between officials of the Saudi-led coalition and the Houthis. The diplomatic channel was opened last September, after the Houthis announced they would cease missile and drone strikes on Saudi territory, Mr. Jaber said. The Houthi announcement followed devastating attacks on Saudi oil facilities. While the Houthis claimed to have conducted those attacks, Saudi and U.S. officials say Iran was responsible. —Jared Malsin contributed to this article.

WORLD WATCH



OFF THE TRACKS: Several people were hurt after a train derailed when it hit landslide debris in central China.

AFGHANISTAN

Official Says Taliban Killed 11 Soldiers

Taliban attacks in Afghanistan’s north and south killed at least 11 Afghan soldiers and police officers, the country’s Defense Ministry and a provincial official said Monday. The violence comes even as Afghan President Ashraf Ghani last week announced his 21-member team to negotiate peace with the Taliban, only to have his political opponent, Abdullah Abdullah, reject it. The Taliban haven’t claimed responsibility for the latest attacks. According to the Defense Ministry, the insurgents targeted a military checkpoint in Argandab in southern Zabul province, killing at least six troops. In northern Baghlan province, at least five members of the security forces were killed when their

checkpoint came under a Taliban attack also on Sunday, said a provincial council member. —Associated Press

NORTH KOREA

Pyongyang Criticizes Pompeo’s Remarks

North Korea said that “reckless remarks” by Secretary of State Mike Pompeo made it clear that Washington has no intention of resuming nuclear talks, and warned Monday that it is now compelled to pay back “the pains the U.S. has imposed on our people.” Mr. Pompeo told reporters last week that the international community must remain united in continuing to apply pressure on its nuclear and missile programs. Mr. Pompeo’s remarks showed the U.S. has no strategy to stop “a countdown of confrontation,” North Korea said in a

statement attributed to its new Foreign Ministry department director general in charge of negotiations with Washington. —Associated Press

GUINEA

Vote Could Extend President’s Rule

Guinea voted to change its constitution, according to provisional results from a referendum that could see the West African country’s president remain in power for two more terms. Nearly 92% of voters on March 22 supported the change, according to the head of Guinea’s electoral commission. The proposal would keep a two-term limit on presidencies, but increase the length of each term from five years to six. President Alpha Conde has implied that his previous terms wouldn’t count. —Associated Press

LIFE & ARTS



BRAT TV (3)

YouTube, Television Style

Seeking their millions of fans, Brat TV puts social-media stars in more traditional scripted series

By AMELIA HARNISH

Annie LeBlanc is like a lot of American teenagers: When the 15-year-old is not with her boyfriend, she likes hanging out with friends, watching movies and sharing updates with her Instagram followers—all 8.6 million of them.

Ms. LeBlanc has been on YouTube for the better part of a decade. She runs her own channel and attracts a combined social media audience of roughly 28 million. That kind of reach is what digital upstart Brat TV banked on when it cast Ms. LeBlanc in its breakout YouTube show, “Chicken Girls,” which follows a group of friends on a high school dance team. Episodes in its sixth season, which began earlier this month, run about 20 minutes. The premiere has 2.5 million views (and episode two, 1.8 million), enough to make the season premiere the No. 3 live action episode to premiere on YouTube this year, according to data from Tubular Labs, a video analytics firm.

Other digital-first networks have found success on YouTube. Awe-



somenessTV—now owned by ViacomCBS, which produced Netflix’s movie franchise “To All The Boys I’ve Loved Before”—and networks like Rooster Teeth, aimed at niche audiences, also create scripted shows for the platform. But Brat TV is quickly gaining traction among Generation Z, says Rob Gabel, CEO of Tubular Labs. In the show “Crazy Fast,” viewers follow members of the Attaway High track team including Rafa, whose parents were deported to Ecuador when he was young. In the

vampire drama “Red Ruby,” Flora leads student protests against fracking (when she’s not being threatened by vampires). In “Chicken Girls,” Indiana Massara plays one half of a lesbian couple. “So many people DM me to say this character helped me come out to my family,” Ms. Massara says of the messages she gets. The Tubular data show that in February, Brat TV ranked no. 211 out of 98,000 channels in the entertainment category on YouTube, putting Brat ahead of name brands like



The ‘Chicken Girls’ cast, top. Above, Annie LeBlanc in the show. At left, Gabby Morrison, left, and Dixie D’Amelio in ‘Attaway General.’

TMZ and The View. Brat TV is one of a handful of YouTube producers (like NBC and Condé Nast) that control which ads run on their channels. Direct ad sales—for spots, product placement and advertorials featuring Brat TV actors playing their characters—represent 75% of revenue, network co-founder Darren Lachtman says. The other 25% comes from spin offs such as a “Chicken Girls” book series with Simon & Schuster. The revenue goal for 2020 is \$15 million, down from \$20 million be-

cause of the coronavirus pandemic, says Rob Fishman, Brat’s other co-founder. One shoot has been halted, but the company is proceeding on schedule otherwise and producing content remotely. While this number is far lower than what traditional TV networks bring in, it’s an “ambitious” goal for a startup digital network, Mr. Fishman says. “Advertisers pay way higher rates on television than they pay for what we do on YouTube. It’s a pity, because YouTube is where the audience is.”

Annie LeBlanc attracts a combined social media audience of roughly 28 million.

Unlike channels that focus on video blogs or interviews, most of Brat TV’s shows are scripted by a traditional writers’ room and produced at the company’s 10,000-square-foot Hollywood studio. Besides “Chicken Girls,” Brat has about a dozen more shows. The bulk take place in the suburban fictional universe that includes the nearby towns of Attaway, Millwood and Crown Lake and follow the adventures of their coming-of-age stars, as well as real current events.

Brat TV casts social media stars like Ms. LeBlanc with established followings. In February, Brat announced that TikTok star Dixie D’Amelio will front a new series called “Attaway General,” about teen volunteers at a hospital. It will premiere May 13 as scheduled. The network’s stars are cut in on brand deals—a practice that stretches back to the early days of television. Extra Gum, one of Brat TV’s regular sponsors, featured Ms. LeBlanc in a 60-second ad spot recently.

Brat TV, which is free to watch, has been able to nurture a cult following because it meets Generation Z on its own turf—YouTube—and participates in the platform’s vibrant fandom culture, says Nikhil Srinivasan, co-founder of Zebra IQ, a Gen Z research firm. Brat shows are made to be watched on a phone, so the audience can “seamlessly flow across different social media channels,” Mr. Srinivasan says, adding that the actors make themselves available on social media.

“Chicken Girls” co-stars include YouTuber Hayden Summerall, who has his own combined social media following of six million. When the show launched, Ms. LeBlanc and Mr. Summerall were dating, and the series writers used that relationship, known to fans as “Hannie,” by romantically involving their characters as well. The couple has since split up, but in Season 6 they are back on screen together, prompting fans to post that seeing “Hannie” again was the highlight.

YOUR HEALTH | SUMATHI REDDY

Safety Advice If You Must Visit the Grocery

WITH COMMUNITIES across the country virtually shut down, there is still one place nearly everyone needs to visit at some point: the grocery store. Experts say deliveries are safer, but sometimes it can be hard to get one scheduled right away. So if you must go to the store, what’s the best way to navigate the aisles and crowds? We asked the experts.

Is it safe to go to the grocery store?

- Try to minimize visits to the store. “The biggest risk factor is really being around other people,” says Benjamin Chapman, a professor of food safety at North Carolina State University.
- That’s because the novel coronavirus is spread largely through droplets from nearby people coughing or sneezing. If you must go, maintain a buffer around yourself and try to go at off-hours. (The Centers for Disease Control and Prevention recommends a 6-foot buffer, while the World Health Organization says 3 feet will suffice).
- It’s hard to maintain a distance from cashiers, so use self-checkout when possible and use hand sanitizer when you’re done.

Should I wear a mask or gloves to the grocery store?

Most experts say a mask isn’t necessary and even recommend against it unless it helps serve as a cue from touching your face. The only masks that protect people from the virus are the N95 respirator masks, which should be reserved for health-care workers and need to be properly fitted when

used, doctors say.

Gloves don’t help much if you’re going to touch your eyes, nose or mouth with them. Rather, experts say, wash your hands with soap and water before going out and when coming home, and use hand sanitizer when out. If you use gloves, choose disposable ones and throw them away as soon as you get home. Try not to use your phone when in the store. If you do, clean it when you get home.

Should I bring wipes with me? What should I wipe down?

Dr. Chapman says many grocery stores are providing shoppers with wipes. If not, it’s a good idea to bring your own, mainly to wipe the grocery cart. Just make sure the wipes are on the list registered with the Environmental Protection Agency. Wipes can also be used for other high-touch areas in the store like freezer handles or tongs used in self-serve bins.

Any other precautions I should take?

Try to avoid exchanging money or credit cards with the cashier. Use a credit-card reader when possible.

If I’m a senior or have an underlying medical condition, should I try to go to the store during special seniors hours?

People over 65 and those who have medical conditions that put them at greater risk of hospitalization and serious illness should avoid going to the grocery store, if possible. Try to order groceries online or have a family member or friend deliver them while taking



ERIN CLARY/THE BOSTON GLOBE/GETTY IMAGES

precautions. If you must visit the store, go during hours reserved for seniors, when the store is likely to be less crowded.

When I get home, what should I do with any paper or plastic bags or packaging?

Though there have been no documented cases of transmission of the novel coronavirus through food packaging, a recent NEJM study found that the virus can live on cardboard for up to 24 hours and on hard surfaces such as plastic and stainless steel for two to three days. But experts noted that the studies were done in a laboratory with high doses of the virus, so it’s unknown if in real life the virus can be transmitted that way. Most likely if someone were to sneeze or cough on a cardboard

container, the virus would degrade more quickly due to environmental factors, such as sunlight.

The study didn’t look at paper or plastic bags. Still, James Lloyd-Smith, a professor in the department of ecology and evolutionary biology at the University of California, Los Angeles, and one of the study’s authors, said if someone else handled the materials recently it’s a good idea to discard them and wash your hands.

But experts say wiping down cereal boxes and other packages isn’t necessary. Randy Worobo, a professor of food microbiology at Cornell University, says instead of being preoccupied with wiping down packaging, focus on washing your hands. “It’s much better to treat your hands, wash your hands, rather than dealing with all the

surfaces,” says Dr. Worobo.

What about food? Can I get Covid-19 from eating contaminated food?

Your mouth is a gateway to both your respiratory system (your lungs) and your digestive system (stomach). Respiratory viruses like the novel coronavirus are believed to enter the body and reproduce through the respiratory tract, not the digestive tract.

Experts say it is possible that if the virus rubs off from any object to the inside of your mouth, it could infect you if it goes into your respiratory system. But there doesn’t appear to be a risk of infection via your digestive tract, according to the Centers for Disease Control and Prevention and the Agriculture Department.

What if someone coughs or sneezes into your food?

If you touch virus particles on raw food and then touch your nose, eyes or mouth, that is a potential source of transmission. But experts note that is unlikely. Wash your hands with soap and water, and don’t eat food with your hands.

Do raw fruits and vegetables need to be washed with anything special?

Experts urge people not to wash fruits and vegetables with anything but water. The chemicals on wipes and chlorine solutions especially can be dangerous—don’t ingest those.

Will my clothes be contaminated when I come back from the store? Do I need to change my clothes as soon as I get home?

There’s no evidence that the virus can be transmitted through clothing, but it hasn’t been specifically studied. The good news is it can be killed by doing laundry. The CDC recommends laundering contaminated clothes in the warmest appropriate water setting and drying thoroughly.

LIFE & ARTS

Museum Guard Becomes an Internet Star

Tim Tiller was roped into managing social media for an Oklahoma City cowboy museum shut down by the coronavirus

By Kelly Crow

TIM TILLER, a mustachioed security guard at an Oklahoma cowboy museum, didn't set out to be a pandemic-era internet celebrity. He swears he got roped into it.

When the National Cowboy & Western Heritage Museum in Oklahoma City closed earlier this month amid a coronavirus-driven shutdown, the museum asked Mr. Tiller to help manage its social-media platforms by posting images of objects on display since the guard would be one of the few people still allowed in the building.

Mr. Tiller agreed to help, but the 58-year-old former truck driver from Jones, Okla., (pop. 3,098) told the museum he had never used Twitter or Instagram and only occasionally posted on Facebook. "It was very quickly Social Media 101," he said in a telephone interview.

On his first day, Mr. Tiller posted an image of the black hat and eye patch actor John Wayne wore in the 1969 film, "True Grit," but the guard captioned it "HashtagJohnWayne" instead of tagging the actor with an actual hashtag symbol. "Lucas, my grandson, told me to use hashtags," he wrote.

Days afterward, he posted that he realized he'd been "doing the hashtags all wrong. I need to use that pound sign from the phone. I'm learning!"

The internet can be snarky to neophytes, but Mr. Tiller's digital faux pas have so far only bolstered his popularity—his aw-shucks persona endearing him to thousands huddled at home online. Within hours, people were replying to him with a catchphrase he's since adopted, "#HashtagTheCowboy."

"Tim, I'm not ashamed to tell you, you're our only hope. You're the thing keeping us going," a follower in Mississippi tweeted the day after Mr. Tiller's social-media takeover. Another from Baltimore wrote, "Sir, you are the cowboy America needs."

Since the security guard started posting two weeks ago, the museum said its Twitter following has grown 2.637%, to more than 268,000 followers. That figure pales in comparison to the Museum of Modern Art's 5.3 million followers, but it surpasses the 170,600 people who visited the cowboy museum last year. Mr. Tiller's emergence is also emblematic of the ad hoc, creative ways museums are trying to reach audiences they can't let through their doors. Director Natalie Shirley said her 55-year-old museum has never gone viral before—"Oh heavens no," she said.

Seth Spillman, the museum's chief marketing officer, said he knew the security guard wasn't savvy on social media, but decided against lessons unless he needed them later.

"Tim is a genuinely good person, and that's what people are



NATIONAL COWBOY & WESTERN HERITAGE MUSEUM (2)



Tim Tiller in a selfie he took at Prosperity Junction for the National Cowboy & Western Heritage Museum's social media accounts.

picking up on," Mr. Spillman said. "I also think we've all been thrust into a new reality, and like Tim, we're trying to tackle it."

When it comes to the museum's footprint, Mr. Tiller is an expert. He said he has walked every inch of the 220,000 square-foot museum in the 20 years since he joined its security staff, and as he

rose through the ranks to become its director of security operations and services, he got to know many of the 30,000 artifacts and artworks in its permanent collection.

Even before he joined the museum, he said he was "the guy who liked to read all the labels" during visits. It is proven easier than expected to pick out pieces people

online might like to see, including Frederic Remington's 1907 portrait of a Native American riding a horse on a sunbaked expanse, "The Sign of the Buffalo Scout." ("Great social distancing," Mr. Tiller wrote in his caption.)

"With all that's going on, people are looking for something positive," Mr. Tiller said, "and I think this museum is pretty positive."

Mr. Tiller and Mr. Spillman confer daily to pinpoint areas of the museum, or elements of its five ongoing exhibits, that could be featured. The captions reflect Mr. Tiller's sense of humor, though. When he posted a photograph of documentary photographer Dorothea Lange, he described her as "someone I'd want to have a beer with."

When Mr. Spillman suggested Mr. Tiller promote the museum's "selfie stations"—spots with dramatic backgrounds ideally suited for a headshot—Mr. Tiller posted a photo of a round, stand-here sticker affixed to the floor. He later added a photo of himself, wearing a bolo tie and squatting beside the sticker. Mr. Spillman said he approved both takes.

Increasingly, Mr. Tiller has to set aside time to reply to online fan mail from far-flung locales like India and New Zealand and children who ask if his mustache is real—it is—or for his favorite spot in the museum.

He said his top pick is Prosperity Junction, a re-creation of an early 1900s cattle town that's long been a fixture of the museum. It includes a blacksmith, livery stable, and saloon.

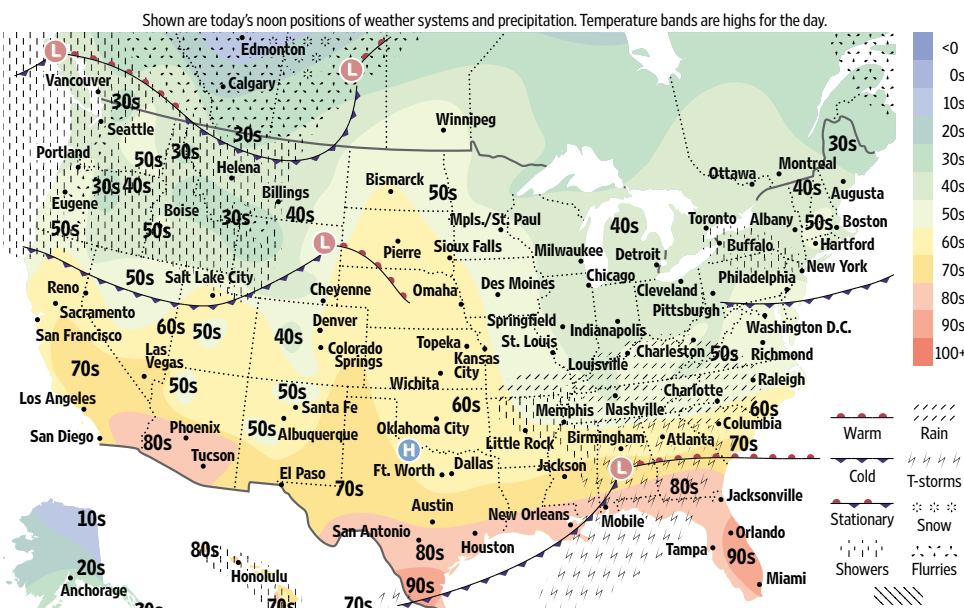
Moving forward, the museum will have to figure out if it can leverage Mr. Tiller's newfound fame without overstepping. After Mr. Tiller posted a photo of himself drinking coffee from a black, speckled museum mug, the museum said the 94 mugs in its online gift shop quickly sold out. A couple days ago, it started selling T-shirts on its site printed with "#HashtagTheCowboy," and it has already sold over 500 shirts. The museum said one fan just mailed the museum a \$100 check and credited Mr. Tiller for inspiring the donation.

Last week, Mr. Tiller posted about an outdoor exhibit the museum plans to debut when it can reopen. It is called "Liichokoshkomo," or "Let's play" in the Chickasaw language. The exhibit features seven dwellings designed by different Native American tribes, from an ancient Puebloan cliffside home to a Kiowa tipi.

Once the crowds return, Mr. Tiller said he'll need to focus on his original day job, but Ms. Shirley, the director, said she may not be ready for him to hang up his influencer hat.

"I bet he'll be signing autographs," she said.

Weather



U.S. Forecasts

s...sunny; pc...partly cloudy; c...cloudy; sh...showers; t...tstorms; r...rain; sf...snow flurries; sn...snow; l...ice

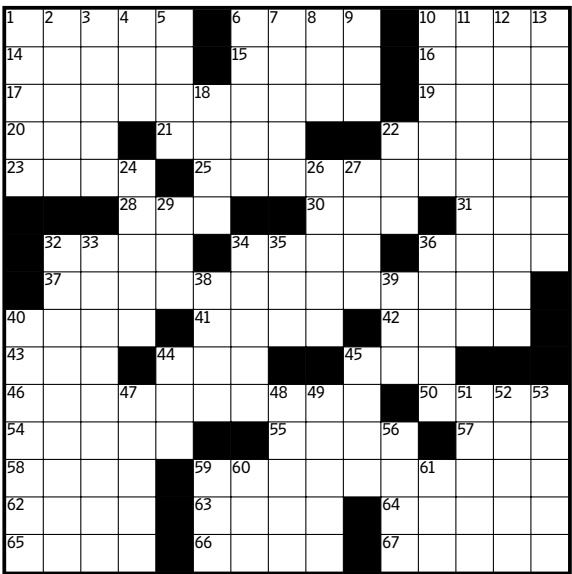
City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	32	20	s	35	27	s
Atlanta	62	44	r	63	44	pc
Austin	78	50	s	77	59	pc
Baltimore	55	40	c	56	38	c
Boise	50	29	sh	47	27	pc
Boston	42	31	c	46	35	c
Burlington	49	28	pc	46	35	c
Charlotte	58	44	r	62	42	pc
Chicago	44	34	c	51	36	c
Cleveland	45	36	c	47	34	c
Dallas	68	49	s	72	53	pc
Denver	66	40	s	69	35	pc
Detroit	47	38	c	51	34	pc
Honolulu	81	69	pc	81	69	pc
Houston	81	53	s	77	57	s
Indianapolis	45	36	pc	52	36	pc
Kansas City	65	44	pc	70	53	s
Las Vegas	79	58	s	81	57	s
Little Rock	61	41	pc	66	47	s
Los Angeles	77	58	s	73	58	s
Miami	90	74	s	89	68	pc
Milwaukee	42	35	c	46	35	pc
Minneapolis	54	36	pc	51	44	r
Nashville	49	40	r	58	40	s
New Orleans	86	57	t	74	62	s
New York City	48	38	c	54	40	pc
Oklahoma City	63	43	pc	70	52	pc

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	48	33	pc	48	39	c
Athens	67	50	c	64	47	sh
Baghdad	80	64	pc	88	58	pc
Bangkok	100	82	pc	100	82	pc
Beijing	70	41	pc	63	36	s
Berlin	41	29	pc	48	36	pc
Brussels	48	28	pc	50	33	c
Buenos Aires	72	66	t	74	61	t
Dubai	83	67	pc	85	71	pc
Dublin	48	36	pc	49	37	c
Edinburgh	51	37	c	50	42	c

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	48	26	s	51	31	s
Geneva	51	29	c	56	35	pc
Havana	91	67	s	89	66	t
Hong Kong	81	68	pc	77	71	c
Istanbul	58	45	pc	51	45	c
Jakarta	87	76	t	86	76	t
Jerusalem	72	52	pc	59	47	c
Johannesburg	76	59	c	76	53	t
London	52	32	pc	50	39	c
Madrid	51	46	r	56	41	r
Manila	96	78	s	94	81	s
Melbourne	72	53	s	75	61	pc
Mexico City	84	53	pc	81	56	pc
Milan	52	35	pc	54	33	c
Moscow	31	19	sn	38	32	c
Mumbai	91	75	pc	93	77	pc
Paris	52	33	s	54	35	s
Rio de Janeiro	81	74	pc	82	74	pc
Riyadh	87	68	pc	94	72	pc
Rome	62	38	pc	56	36	c
San Juan	84	72	c	87	72	s
Seoul	64	41	c	64	37	pc
Shanghai	60	49	r	63	49	pc
Singapore	92	79	c	90	79	pc
Sydney	77	68	s	76	67	r
Taipei City	82	68	sh	70	64	r
Tokyo	61	54	c	61	54	r
Toronto	45	31	c	50	32	s
Vancouver	49	35	sh	48	32	pc
Warsaw	43	27	pc	46	35	pc
Zurich	48	24	c	52	28	s

The WSJ Daily Crossword | Edited by Mike Shenk



GET A ROOM! | By Evan Kalish

Across			Down		
1	Where karaoke originated	23	Dawn direction	44	Standoffish
6	Culinary institute graduate	25	Place that might have a server room?	45	Has permission to
10	Do for Questlove	28	Face on a river	46	Place that might have a bedroom?
14	"Love Me Like You Do" singer	30	The Notorious ___ (SCOTUS star)	50	Flight assignment
15	Arizona city in the Sonoran Desert	31	John of "Star Trek Beyond"	54	Showed a classic episode, say
16	Land heavily	32	Key near Alt	55	Identify
17	Place that might have a ballroom?	34	Take to one's heels	57	Winter woe
19	Mocking remark	36	Animated Betty	58	Curious sightings
20	Not much of a company man?	37	Place that might have a drawing room?	59	Place that might have a boardroom?
21	Throw oneself a pity party	40	Chatters	62	Single
22	Simple putt	41	Low digits	63	At any time
		42	Beach makeup	64	Cameos, e.g.
		43	Not feel too hot	65	Looked over
				66	Terminal area
				67	"Hasta la vista!"

► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](https://www.wsj.com/puzzles).

Previous Puzzle's Solution



LIFE & ARTS



Orson Welles and Rita Hayworth in Welles's 'The Lady From Shanghai' (1947), left; Gene Tierney and Cornel Wilde in John M. Stahl's 'Leave Her to Heaven' (1945), above

THE STAYING INSIDE GUIDE—FILM

Cozying Up to Film Noir Across The Spectrum

Your options aren't limited to black-and-white

By PETER TONGUETTE

BLACK-AND-WHITE cinematography, Orson Welles once told Peter Bogdanovich, is “the actors’ friend.” Welles was referring to his conviction that performances registered with greater clarity in black-and-white, but as the maker of a trio of the most memorable film noirs ever produced—“The Stranger” (1946), “The Lady From Shanghai” (1947) and “Touch of Evil” (1958)—he might have added that black-and-white photography is also unusually integral to that genre.

It is easy to forget that countless cinematic genres were first represented in black-and-white. With the advent of color photography, however, few remained as tethered to the format as film noir.

Moviegoers thought nothing of watching westerns, historical epics or musicals in Technicolor, but the tropes of film noir—think narrow passageways awash in shadows or fedora-wearing figures stalking rainy sidewalks—just seem to play better in grayscale. And few film noirs better illustrate the advantages of black-and-white cinematography than Welles’s visually decadent confection “The Lady From Shanghai,” which is streaming on the Criterion Channel through the end of May.

Welles embarked on the project, based on Raymond Sherwood King’s novel “If I Die Before I Wake,” with the sort of haste for which he would become notorious. As Welles recounted in Mr. Bogdanovich’s interview book “This Is

Orson Welles,” the assignment resulted from horse trading with Columbia Pictures boss Harry Cohn: If Cohn made \$50,000 available to Welles—ostensibly to salvage his stage production “Around the World”—the director would return the favor and make “a great story” for the studio. When Cohn asked for details, Welles had to think on his feet. “I was calling from a pay phone, and next to it was a display of paperbacks and I gave him the title of one of them,” Welles said.

Welles’s fanciful-sounding account of the provenance of “The Lady From Shanghai” has been called into question, but what cannot be doubted is that the director applied his substantial visual gifts to the resulting film. To be sure, the plotline of the largely San Francisco-set film is something of a muddled hash: At its center is Irish seaman Michael O’Hara (Welles), whose misplaced ardor for his boss’s spouse, Elsa Bannister (Rita Hayworth), results in his entanglement in a mazelike murder plot.

Welles tries to keep a handle on the serpentine story using voiceover narration, but viewers are best advised to soak in the richness and texture of the black-and-white images. The photography is handsome throughout, but Welles and cinematographer Charles Lawton Jr. outdo themselves in the many scenes that unfold after dark: For instance, when Elsa serenades Michael with the song “Please Don’t Kiss Me” aboard her husband’s yacht, Hayworth is photographed in a spectral glow—seemingly lit by moonlight. Welles often favors hermetic spaces at once cozy and forbidding, among them an aquarium where Michael and Elsa meet up.

In a dazzling effect, the faces of Welles and Hayworth—and, in some cases, the mere outlines of their faces—are glimpsed chiefly by the twinkling light emanating from tanks occupied by creatures of the sea.

The velvety inkiness of the photography is pleasing to watch in and of itself, but it also serves to present a world in which moral darkness is pervasive—a vision given its clearest expression in the much-noted finale, showing the glass-shattering chaos that ensues when a mirror-filled room within the funhouse becomes the site of a gunfight. Color photography would have made the finish bloodier, but far less haunting.

‘The Lady From Shanghai’ and ‘Leave Her to Heaven’ are ideal isolation viewing

Of course, color would eventually come to film noir, mainly in the form of contemporary movies that attempted to bring the genre into a new, more candid era, including Roman Polanski’s “Chinatown” (1974) and Bob Rafelson’s fresh version of “The Postman Always Rings Twice” (1981). Decades before either, however, director John M. Stahl made an early attempt to tell the darkest of tales using the most vivid of means. The 1945 Technicolor release “Leave Her to Heaven”—which the Criterion Collection just released on Blu-ray and DVD—is a study in degeneration, revolving around *femme fatale* Ellen Berent Harland (Gene Tierney), whose lethal ten-

dencies surface whenever she fears that others threaten to disrupt her relationship with her husband, Richard (Cornel Wilde).

“It is an uncompromising character story of a vicious woman who murders for love,” reflected producer Darryl F. Zanuck in a 1947 memo, but what distinguishes “Leave Her to Heaven” is not simply the ruthlessness of its lead character. What makes the film endure is the shimmering Technicolor photography of Leon Shamroy, who went to great pains to achieve his effects: “Shooting Technicolor wasn’t easy; the lights were very hot, and the camera was very bulky,” co-star Vincent Price said in an interview with Wheeler Winston Dixon.

Contrasting with the chiaroscuro fantasia of “The Lady From Shanghai,” “Leave Her to Heaven” has the patina of realism because it presents the world as most of us see it: in a constellation of colors. In the film’s best scene, Ellen stays still in a rowboat while her husband’s disabled adolescent sibling, Danny (Darryl Hickman), tries to swim across a lake; the task proves too much for him, but Ellen declines to intervene as the boy drowns. Chilling on its own, the scene is made more appalling by its verisimilitude. Danny drowns not among shadows and silhouettes but more quotidian surroundings: tall green trees and a blue, cloud-speckled sky. Forget Barbara Stanwyck in “Double Indemnity” (1944): With her red lips and auburn hair, Gene Tierney in “Leave Her to Heaven” is the ultimate film noir anti-heroine.

Mr. Tonguette is the author of “Picturing Peter Bogdanovich,” coming in July from the University Press of Kentucky.



TELEVISION REVIEW | JOHN ANDERSON

Addictive Entertainment

By JOHN ANDERSON

THE ORIGINAL “Law & Order” used to boast that its stories were ripped from the headlines. The engrossing “How to Fix a Drug Scandal” might have been ripped from “Law & Order”—if the new four-part series weren’t a thrilling piece of nonfiction. It has the same crime-and-punishment arc as

the old show, the same gift for animating legal minutiae, the same relentless forward motion. Plus, everything in it is true. And there are monsters.

Monsters can be good or bad; the word itself is almost as ambiguous as “fix”—something that suddenly meant different things to different people in 2012 Massachusetts, as a two-headed

scandal started to boil over between crime labs in the commonwealth. In Amherst, a chemist named Sonja Farak was found to have been habitually dipping into the evidence (which included methamphetamine, cocaine and LSD). In Boston, another drug-tester named Annie Dookhan, the kind of employee who turned the lights on in the morning and off at night,

had been producing test results at a rate no one thought was possible—and wasn’t, as the authorities rather belatedly discovered.

“How to Fix a Drug Scandal” is full of surprises, one of them being how seamlessly director Erin Lee Carr (“At the Heart of Gold: Inside the USA Gymnastics Scandal”) melds two cases of such contrasting characters, circumstances and motivations. Ms. Farak, who had been her high-school class valedictorian as well as a member of the boys’ varsity football team, kept to herself and her drugs, carefully consuming either the pure samples kept in the lab or the evidence that came through it. Ms. Dookhan, as indicated by emails and testimony, was a habitual liar as well as outrageously—and feloniously—ambitious. Ms. Farak did the work, though it was inherently compromised. Ms. Dookhan simply didn’t do the work.

What was common to the cases were two questions: How long had each woman been mishandling evidence? And, consequently, how many convictions were compromised? As the series shows, the “fix” attempted by the Massachusetts criminal justice system—in the persons of then-Attorney General Martha Coakley and assistant AGs Anne Kaczmarek and Kris Foster—was to spin the damage as having been short-term and, when that didn’t work, to withhold evidence and mislead the courts. It isn’t spelled out, but the fact that so many Massachusetts prosecutors talk so frankly to Ms. Carr’s camera may be the result of the attorney general’s office having misled them, too. The office received a rare castigation from the bench for its performance.

The re-creations feature an actress (Shannon O’Neill) who looks enough *not* like Ms. Farak to cause some puzzlement, but she makes a good point (lifted from testimony): “I never had any piece [of evidence] questioned,” she says, meaning the accused had never claimed that the evidence against them hadn’t been actual drugs. But Luke Ryan, the attorney for several clients whose cases had been tainted by Ms. Farak, makes the counter argument, and makes it well, that the state is both required and obliged to prove that what it is charging is true, including the authenticity of the drugs involved. The testing process must be above reproach, something Ms. Farak and Ms. Dookhan rendered impossible.

The level of misconduct is startling, as is the tenacity of Mr. Ryan, the hero of the series who keeps turning up enough proof of that misconduct that he and his fellow litigants, all of whom wanted convictions overturned, can’t be ignored. What may catch a viewer off guard is how gripping the story is and how it flies by. Heather Harris, a forensic chemist who appears among Ms. Carr’s interviewees as a kind of general expert witness about crime labs and chemistry, says early in the series that the public doesn’t know much about the kind of work performed, or not, by Ms. Farak and Ms. Dookhan, because “it doesn’t make for compelling, interesting stories.”

“Then why are we here?” she’s asked.

“Well,” Ms. Harris answers, smiling, “sometimes it does.”

How to Fix a Drug Scandal
Wednesday, Netflix

SPORTS

JASON GAY

To Live in New York City Right Now

A pandemic brings street life to a halt in one of Earth’s most vibrant cities. And yet, bravery abounds.



NYPD officers patrol in a nearly deserted Times Square. Once-bustling city streets have gone silent, except for the dull moan of sirens, writes Jason Gay.

What a luxury it was, to complain like we did, not long ago about this town, its inconveniences, its sports, its comical basketball teams, its scattershot football outfits, the Mets, the traffic, the trains, the airports, the weather, the prices, the roads, the crowds, the everything. We complained to complain, as habit, as camaraderie, because deep down, we all knew the score: We loved it so. We were in. We didn't know how good we had it.

New York City is the raging heart of this now. This pandemic, it is ruthless and multiplying, digging into communities around the country and the world, but a whole awful lot of it is unfolding here, fast, in these neighborhoods and overburdened hospitals attempting to triage the incoming. Once-bustling city streets have gone silent, except for the dull moan of sirens.

The sirens are jarring. The silence, even more so. New York is a noisy town, unabashedly; if it's too loud, it isn't for you.

Likewise, this has never really been a place to hunker down, barricade indoors, remove oneself from the world, no matter how good your Wi-Fi is. New York City is something that happens when you step outside. It's a pace and an energy; you feel its relentlessness the instant you walk out the door. You could be lonely here, but alone? No.

It isn't like that now. The ghostly corners and closed storefronts are chilling. The quiet isn't peaceful, country quiet. It's anxious. This isn't like after September 11, when a grieving New York shocked itself back into action, almost as an act of civic defiance.

With this, defiance is the hazard. So we stay indoors. We have no choice but to de-New York New York.

There are pockets of life. We're still walking, a lot of us, because it's good to walk, and if you walk by your local market, or the pharmacy, there's probably a line, well-spaced, snaking out the front door, maybe around the corner. There are the dogs, who thankfully remain dogs, and there are the children, who thankfully remain children. The children in this neighborhood started taping up little hand-drawn rainbows in the windows of their apartments, and now it's a thing; you see families out for walks with their kids, and

they're looking at the rainbows and counting:

Fifty-six rainbows. Fifty-seven rainbows...

They stripped the rims from some basketball hoops, but the parks still brim with joggers and cyclists, most of them correctly socially distant, a good thing, since they're apparently going to start fining people for not distancing. Warmer air is coming. The spring blossoms on the trees are a therapeutic distraction from reality.

But reality keeps infringing. Over the weekend, they began work on a temporary hospital inside Central Park.

Everyone here knows someone who's sick with it, it seems, or at least someone who thinks they're sick with it, because the testing is still short, and the hospitals are urging the manageably unwell to ride it out at home. Every hour, there's a new, alarming piece of data: sick nurses, sick doctors, sick EMTs, sick transit employees. The NYPD announced that more than 500 cops tested positive the other day. Everyone's got a co-worker, a friend, a family member.

This story began with percentages and numbers. Now, it's names.

And the sirens, it's a real thing. Sometimes I wake up in the middle of the night, and I don't hear a siren, and I find it briefly relieving. Then, a second later, one inevitably begins, avenues away, growing louder until it roars by in the dark.

This quarantined town, it's become someplace else, it isn't itself. If you're looking for traces of New York, you can hear it in the truth-telling, from doctors and nurses and professionals on the front lines of this crisis, asking urgently for help, supplies and political common sense. You hear it in the voices of the small-business owners who are trying to figure out how long they can hold out, if there's going to be a small business to open when this finally settles down. You hear it in the pleas for safety from workers on other front lines, like grocery stores, and delivery services, who keep going to their jobs, keep taking on risk, as the fortunate remain indoors. You hear it in the Brooklyn of Dr. Fauci.

Listen to these voices. Hear their anger and expertise. They are not sugarcoating it; they are telling

us exactly what's going on, because telling the whole truth still matters in this town.

That's New York. They're telling it as it is.

And yes: we're aware, of the talk that we should all stay here, keep to ourselves, keep away, that we're not welcome elsewhere until this is over. There are some who want to check for New York plates at the state lines; they reportedly wanted to go door-to-door in Rhode Island, sussing out interlopers by asking, I don't know, *"Do you think the Mets have a shot?"*

Whatever. It's fine. We've got this.

This city, it will trick you. From the outside, it's all self-interest and bluster, intimidating and obnoxious, but if you spend a little time here, you discover it's people and neighbors, like anywhere else. We've been making dinner for a man who lives downstairs, and works at one of the hospitals. We never see him, we just leave it at the front step. He was our neighbor; now he's a hero to us. You probably heard about the clapping that's been happening at night, around 7 p.m., or so, for the first responders and other essential workers. It's the smallest kind of civic gesture, but heroes abound. We know this now.

I don't want to make this sound folksy. It's harrowingly difficult now, for many people here, and it will continue to be difficult. It may be difficult where you are; it's getting worrisome in many places around the country, and the people getting hit the hardest are the vulnerable. Inequities of the system that were always there—job security, health care, access to technology—have been brought into sharp relief. There was a moment when "quarantining" felt novel and cozy, but that moment has passed. Staying inside with recipes and board games seems like the best sort of luck. Cabin fever is a privilege.

It's a fight, for everyone now. It figures to be a good long while before we can go back to complaining about the minor inconveniences, the ball clubs, the traffic, the trains, LaGuardia Airport. We don't know when and if we will achieve that beautiful sort of normal. But we know what kind of town we've got. I can still see it from the windows, with the taped-up rainbows. This is New York.

NFL Teams Spent More Than \$2 Billion in Free Agency

By Andrew Beaton

THIS NFL OFF-SEASON has been strange and not just because Tom Brady fled New England for Tampa Bay.

The league's free-agency period swung into action right as the rest of the sports world shuttered. While NBA arenas went dark in response to the novel coronavirus, the phones of football executives were lighting up. And as other sports face still incalculable losses, NFL teams opened their wallets and spent unlike ever before.

In the first week of free agency, players signed deals worth up to \$2.6 billion, according to internal NFL Players Association figures. That's a 6.5% increase over the first week of 2019's free agency, but the more notable increase wasn't in the raw amount of dollars. It was in the guaranteed money.

The true value of NFL contracts can be far more opaque than in other sports leagues because, typically, less of the deal is guaranteed. This year, 56.5% of that \$2.6 billion came in guaranteed money—compared with 49.3% a year ago. That's a jump of more than 14%, with the players receiving nearly \$1.5 billion guaranteed at the start of the off-season. (This includes all types of guarantees, such as against injury.)

The 2019 cash spent on players league was \$6.35 billion, which was up nearly 9% from a year prior and represents 105.5% of the salary cap.

"We've seen the leaguewide spending rise in the last year. The players are seeing more money than expected," said J.C. Tretter, a Browns offensive lineman and newly elected NFLPA president. "Things are still trending in the right direction for us."

This year's free agency came on the heels of a monumental deal between the NFL and its players, who agreed to a new, decade-long collective bargaining agreement that paves the way for a 17th regular-season game as soon as the 2021 season. The closely contested deal—only 51.5% of the players voted in favor—gives the players a larger share of the league's revenue, increases in benefits, larger roster sizes and higher minimum salaries in exchange for that lucrative and controversial extra game.

But perhaps most importantly, it gives America's most popular sport labor stability going forward during a period when the sports landscape is experiencing unprecedented instability.

This time of year, the NFL is supposed to be the one league that's in the background. By now, March Madness is typically in full swing, NBA playoff races start heating up and the MLB season has launched. This year, that

isn't happening. The national response to the international pandemic indefinitely removed major sports from the calendar, leaving the NFL in the unusual position of making news from the sidelines.

Unlike actual sporting events, free-agent negotiations can occur with social distancing. Although there were special restrictions on physicals and teams meeting with players, the bulk of the work could get done with agents and executives over the phone, sometimes from their houses or at other times carried out by skeleton crews at team facilities.

Although the exact logistics are still being worked out, April's NFL draft is scheduled to continue in a modified format for the same reason: it can be executed remotely.

And as the financial numbers indicated, this wasn't just any off-season. It was an unusually busy one, with an unusually big-name star available for the first time in his career: Tom Brady.

No player dominated this off-season quite like the 42-year-old who made a decision that's familiar to plenty of other people his age. He wanted a change of scenery. The difference between Brady and almost every other player his age is that



The Tampa Bay Buccaneers signed Tom Brady to a two-year deal that has \$50 million guaranteed.

his new employer paid him an extraordinary amount of money to do so: the Tampa Bay Buccaneers signed him to a two-year deal that reportedly has \$50 million guaranteed.

The NFLPA's numbers also include players who were set to become free agents but were resigned by their current teams right before they could hit the market, some of whom received megadeals such as Cowboys receiver Amari Cooper and Titans quarterback Ryan Tannehill.

Although Tannehill stayed put, Brady wasn't the only notable quarterback to change teams. The Carolina Panthers signed Teddy Bridgewater to a three-year, \$63 million deal, giving the former first-round pick who had played well behind Drew Brees in New Orleans an

other chance at starting, while moving on from Cam Newton.

Newton is just one indication that there still may be some big contracts still out there. Back in 2015, Newton took the Panthers to the Super Bowl and was the NFL's MVP. His star has dimmed in the years since because of injuries and inconsistent play, but his upside remains tantalizing. He's also not the only potentially elite talent on the market. There are three recent No. 1 overall picks available: Newton, pass rusher Jadeveon Clowney and quarterback Jameis Winston.

It's also possible the free agency spending splurge would be even higher if not for players who saw an advantage to taking shorter-term deals this off-season.

With a 17th game on the horizon as soon as 2021, the salary cap is expected to see a major increase from the additional revenue that comes along with the additional gain—and some players wanted to be able to hit the market again once that happens.

"Now we see there's more of an emphasis on shorter deals," Tretter said. "That's always, for the most part, in the players' best interest."

There's one notable player who could be taking advantage of just that. Brady's deal in Tampa Bay lasts two years. He'll be 43 at the start of the upcoming season, and he has indicated he wants to play until he's 45.

That math isn't especially complicated: There could be another Tom Brady free agency two years from now.

CHARLES KRUPA/ASSOCIATED PRESS

OPINION

Harvard's China Virus



MAIN STREET
By William McGurn

Amid the coronavirus wreckage, there seems to be a bright spot. The pushback against referring to Covid-19 as the “China virus” indicates a welcome new sensitivity for the racial discrimination directed at Chinese-Americans.

Or does it? Ever since people began referring to “the China virus”—or to be precise, ever since the White House press corps realized it was Donald Trump’s preferred term—the American people have been given repeated warnings that this is not only insensitive but dangerous. The subheadline of a recent New York Times story captures the tone: “As bigots blame them for the coronavirus and President Trump labels it the ‘Chinese virus,’ many Chinese-Americans say they are terrified of what could come next.”

The U.S. Commission on Civil Rights has also chimed in with a statement warning public officials against normalizing “xenophobic animosity toward Asian Americans” by using “the China virus.” The Council of Chief Diversity Officers at the University of California instructs the university community not to use terms like “Chinese virus” because they “cast either intentional or unintentional projections of hatred toward Asian communities.” Beijing complains that Mr. Trump’s use of

such terms contributes to the “stigmatization of China.”

It’s hard not to notice the chasm between this new hypersensitivity and the indifference toward another, very real discrimination affecting this same community. That is the racial discrimination keeping Chinese-Americans out of America’s most elite educational institutions. Some of the same people who fret so loudly about how we refer to Covid-19 are utterly indifferent to this other racial discrimination affecting Chinese-Americans.

Start with the mayor of New York, Bill de Blasio. After Mr. Trump tweeted out a reference to “the China virus” earlier this month, Mr. de Blasio clapped back. Asian-Americans, the mayor thundered, “don’t need you fueling more bigotry.”

If someone fuels bigotry by calling a virus a name accurately derived from its geographic origins, what about a mayor who works overtime to reduce the number of Asian-Americans in his city’s most competitive public high schools, not because they haven’t earned their entry but because they aren’t the right race.

Ditto for Harvard. Remember, the chief argument against “the China virus” is that using it stigmatizes both China and people of Chinese descent. But what about the stigmas that come from the subjective “personal ratings” Harvard applies in its admissions process? The Justice Department says these ratings produce “consistently poorer

scores for Asian-Americans,” a racial penalty that brings down an Asian-American applicant’s overall score.

According to Students for Fair Admissions, the group suing Harvard over its use of race in admissions, Asian-Americans as a whole score higher “on many objective measures than any other racial/ethnic group including

Covid-19 isn’t the only ‘stigma’ that has been imposed on Asian-Americans.

test scores, academic achievement, and extracurricular activities.” But if we are to believe Harvard, Asian-Americans are less likable, less kind and less courageous than those of other races. If that’s not stigmatization, what is?

Or take the World Health Organization, which prides itself on objectivity and professionalism. In 2015, WHO updated its best practices for naming new infectious diseases. The aim is to prevent a name from “stigmatizing” any particular community or country, and thus avoid negative implications for everything from trade and tourism to violence.

Yet WHO refers to the West Bank and Gaza as “Occupied Palestinian territory.” Anyone ever ask the Israelis if they feel stigmatized or endangered when the world’s premier health authority lends its

imprimatur to such a politicized name?

In an attempt to restore some perspective, two members of U.S. Commission on Civil Rights, Gail Heriot and Peter Kirsanow, issued a tart dissent from the majority’s claim that people who say “the China virus” are encouraging “xenophobic animosity.” Ms. Heriot and Mr. Kirsanow turn the tables on their fellow commissioners, pointing out that when authoritative organizations such as the commission indulge in “promiscuous” use of words such as “racist, xenophobic, and hateful,” it can also have ugly effects. All too often it means promoting the false notion that America is a steaming cauldron of hate just waiting to boil over.

Certainly Chinese-Americans (and others of Asian descent mistaken for them) are now enduring disgusting attacks and slurs from those unfairly blaming them for Covid-19. Much of this is crude name calling, such as the 13-year-old Connecticut girl taunted as “corona” by her classmates. Other acts by those blaming Chinese people for coronavirus are downright criminal, from the stabbing of an Asian-American father and son at a Texas Sam’s Club to an assault on a New York man, who was kicked, spat on and told to go back to China.

As the Commission on Civil Rights rightly says, “xenophobia wears many faces.” And in a nation of 330 million, America has its share of goons.

What’s Harvard’s excuse? Write to mcgurn@wsj.com.

BOOKSHELF | By William Easterly

Let’s Make A Deal

Extreme Economies

By Richard Davies
(Farrar, Straus & Giroux, 396 pages, \$28)

What Adam Smith called the “propensity to truck, barter, and exchange one thing for another” is as widespread today as it was in the 18th century. In Richard Davies’s “Extreme Economies,” it emerges in places as diverse as a Middle Eastern refugee camp and a U.S. penitentiary. Markets, Mr. Davies engagingly shows, can make an extreme situation less extreme. Sometimes, it is true, they can make things worse, and there is a role for government intervention. But Mr. Davies also shows how government responses can be ineffective or do harm in their own way.

Mr. Davies, a fellow at the London School of Economics, first describes how markets flourish in Zaatari, a Syrian refugee camp in Jordan that in 2013 was home to 200,000 people. Informal businesses range from pet-bird shops to wedding-dress rentals. By 2015 private business sales reached almost \$14 million a month—no thanks to the United Nations High Commissioner for Refugees, the agency that runs the camp.

The agency’s staff members, Mr. Davies tells us, have their own ideas about what refugees need, and so they issue e-cards that can be used only at U.N.-sponsored supermarkets to buy necessities. The aid workers’ idea of necessities includes things that the refugees don’t want—like low-quality powdered milk from New Zealand. The refugee response is to buy the powdered milk anyway, then resell it at a loss to a smuggler for cash. The smuggler off-loads the milk to Jordanians driving past the camp. The refugees can then use the cash to buy things they do want from private businesses—like homemade yogurt, a Syrian staple. Not to mention pet birds.

The U.N. agency is not a fan of refugee markets, and so in 2014 it built another camp, named Azraq, to correct the “mistakes” in Zaatari. It spent \$63.5 million on a planned community a long way from Jordanian towns. Azraq’s dispersed grid of homes and 100 official businesses contrast with Zaatari’s enthusiastically congested central core. Tight security in Azraq and its remote location prevent smuggling—the refugees are stuck with e-cards for things they don’t want. The buildings for official businesses are mostly empty. The greatest risk for Zaatari refugees breaking the rules is that the U.N. could send them to Azraq, which the refugees view as an open-air prison camp. A better idea would have been to allow free enterprise in both camps.

Mr. Davies’s most striking case of flourishing markets is the one inside the Louisiana State Penitentiary. Entrepreneurial prisoners produce pecan candies, fried chicken, and services like haircuts and shirt-ironing for sale to other prisoners, while they persuade guards to look away. Guards also smuggle in synthetic cannabis for sale to prison drug lords, who sell it to other prisoners. The most remarkable aspect of this market is that inmates aren’t allowed to hold cash, so they have had to invent their own money. They use a system of pre-paid cards in which a relative or friend on the outside can make an anonymous transfer to a guard or to the relative or friend of another prisoner. Informal markets make prison a little less awful.

In refugee camps, prisons and other unlikely places, markets arise to meet critical needs and, at times, circumvent faulty official policies.

Markets can result in less favorable results, as we see in the jungles of Panama. Loggers there build tracks for their heavy trucks deep into the jungle to harvest the most valuable trees. Smaller operators follow the tracks in pickup trucks to grab less valuable wood. *Campesinos* come next to graze their cattle on the cleared land. Overgrazing induces the campesinos to move to new pastures. All that is left after all this, Mr. Davies notes, is a wasteland that supports nobody. This is a classic “tragedy of the commons,” in which each individual has an incentive to extract as much as possible from common lands even though everyone will eventually be worse off. One answer to this problem, proposed by economists, is optimal state control of extraction rates, keeping them low enough to allow the commons to grow back.

Unfortunately, an optimal government hasn’t been functioning in Panama. Weight limits on logging have had the perverse effect of goading loggers to chop down the straightest trunks and discard the rest of the tree. The system, as Mr. Davies writes, “is designed to protect the forest but does the opposite.” The government also offers subsidies for reforestation, but 80% of it investors have grabbed for teak plantations. Alas, teak trees shut out light from the understory and shed acidic leaves. Mr. Davies observes that the ground underneath the teak trees “looks as if it has been doused with petrol and left to burn.” In this case, both markets and government have failed.

Mr. Davies’s next stop is Glasgow, where one of the world’s largest shipbuilding industries existed from the 1800s through the 1950s. In the good times, firms benefited from one another because of “agglomeration externalities”—they shared a pool of specialized labor and suppliers. Shipbuilders located in Glasgow because other shipbuilders were there. Unfortunately, the process also works in reverse. Global demand shifted away from Glasgow’s coal-fired steamships to diesel-powered tankers. Japanese firms used new dry-dock technologies to out-compete Glasgow for the world market. Every time a Glasgow shipbuilder went out of business, the pool of labor and suppliers shrank—making it even harder for remaining firms to survive.

The British government responded with that always popular answer—a government commission. It forced a merger of many Glasgow shipbuilders, aiming for large-scale efficiencies. But it didn’t work. In 1977 the government nationalized the industry. The state-run firm also failed. Glasgow’s shipbuilding agglomeration was gone. The market answer to such a spiral is for individuals and firms to move somewhere else, where a newly flourishing agglomeration can be found. This solution, admittedly, is not that helpful to someone who can’t move or doesn’t want to.

From such varied experiences, Mr. Davies draws a compelling portrait of markets functioning—and sometimes malfunctioning—in all sorts of conditions and cultures. It is clear from “Extreme Economies” that the world deserves both more market solutions and more competent governments.

Mr. Easterly, a professor at New York University, is the author of “The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor.”

U.S. Leadership Will Survive Coronavirus



GLOBAL VIEW
By Walter Russell Mead

There are two epidemics raging across the U.S. today: the coronavirus and a febrile sense of national failure. Just like the so-called Flagellants, who roamed across Europe during the Black Death beating themselves with scourges and bewailing their sins, pundits and politicians now solemnly intone that a failed coronavirus response proves that American society is sick and American global leadership is dead.

Certainly the initial U.S. response was flawed. The Trump administration and local and state officials should have made much better use of the time gained by President Trump’s much-criticized but now universally imitated coronavirus travel bans. The time could have been used to get the country in substantially better shape for testing and treatment, and an earlier adoption of strict social-distance protocols would have impeded the spread of the virus significantly and reduced the projected death toll.

Barring the sudden appearance of a miracle cure, the disaster will likely ripple across the country, testing medical facilities and all levels of government to—and, in some cases, past—their breaking points. Each piece of bad news will stimulate our modern day Flagellants to histri-

onic transports of passionate handwringing. Each week’s New Yorker issue will be more cuttlingly eloquent than the last.

It is, however, much too soon to say that America is failing a historic test. What is it being graded against? Thanks to bad strategic and operational decisions in 1941, U.S. Pacific forces were sitting ducks when war broke out. Except mercifully for its aircraft carriers, the Pacific fleet was concentrated and poorly guarded in Pearl Harbor. This was followed by a debacle in the Philippines. Caught in an indefensible position, by April 1942 more than 22,000 American military personnel were captured or surrendered, and 10,000 underwent the infamous Bataan Death March into brutal captivity.

These costly blunders were less excusable and more expensive than anything we’ve done wrong so far in this crisis. They made the war longer and bloodier than it would otherwise have been—but victory came in the end. The Civil War, World War I, even the Cold War saw a similar pattern of fecklessness and confusion in the early stages.

America generally starts slowly. Our national genius is for the private economy and private pursuits. When crisis comes, it takes the U.S. more time than many countries to move to an emergency footing and coordinate the many moving parts of its society; to get the various state, local and federal authorities to mesh;

and to get the private and public sectors working together effectively. The U.S. typically stumbles out of the starting gate, but once it gets going, the ingenuity, adaptability and dedication of the American people enable it to make up the lost ground.

Fears of a collapse of U.S. leadership abroad are also overblown. The only way we can really help others at this point is to put America first.

Put away the plague carts and wailing for now. Comebacks are America’s specialty.

If our country is paralyzed by a devastating epidemic, and our economy crashes and burns, we won’t be able to help anybody with anything. America First at this moment isn’t a slogan for chauvinism. It’s common sense.

This isn’t only true for the U.S. The best gift any country can give the world at this time is to master its own difficulties, succor its own people, and prepare to play its part in the global resurgence.

Even so, America has already done far more to fight the pandemic and its consequences than any other country. China has sent a few high-profile shipments of often-defective medical supplies, usually at top-dollar prices; the Federal Reserve opened dollar-swap lines that kept

the world economy from freezing up.

Medical systems in Africa and elsewhere that were built with American aid to fight HIV and Ebola have given dozens of countries capacities they wouldn’t otherwise have possessed. With both the International Monetary Fund and the World Bank arguing that it’s vital to reduce debt burdens and help emerging countries deal with the massive costs of the crisis, Washington is working with Group of Seven and G-20 countries to respond to the need. One suspects this activity would get more attention if a Democrat were in the White House, but it is a more than respectable record for a country still getting to grips with a once-in-a-century event.

The true test of leadership has yet to come. America can’t help the world much if it is flat on its back. But as the U.S. rises, it can help others up, too—and it will be in America’s interest to do so. Americans can’t stay healthy if the pandemic continues to surge around the globe, and our economy won’t prosper for long unless the world recovers with it.

The U.S. may yet fail to meet the test that history is giving it, and if it does there will be plenty of opportunity for self-flagellation and woe. But the American response to date, flawed as it is, suggests that the strengths that brought the U.S. through even worse crises in the past have not yet faded away.

Nurses Are the Coronavirus Heroes

By Paul Dohrenwend

San Diego
I write this an hour after finishing my shift in the hospital emergency department. It’s 1 a.m. A nurse I have known for a long time said to me as she left the shift, “In 18 years, I never felt the need to take a shower in the staff locker room so I could feel safe to go home.” Earlier she was at the bedside in a negative pressure room, wearing a powered air-purifying respirator as she helped intubate a possible coronavirus patient who’d crashed. The precaution and gear make the work feel more dangerous. “Will that equipment be enough,” she asks, “to keep the virus out of my body?”

Nurses are the underappreciated heroes of this crisis. One, normally the coolest of heads, checked in to the department after her shift. “I am anxious for the first time

in my life,” she said. “I’m usually the face of calm. I tell family members of patients, ‘Look at my face, when this face gets worried, then you worry.’”

They marinate in risk as they spend more time than anyone else tending to patients.

Our department’s nursing leadership led the charge by working with hospital administrators and the disaster-preparedness team to set up, within hours, a screening tent outside our two San Diego emergency departments. This newly created care area off-loaded many cases that would have entered the emergency department, endangering others and burdening our inner system.

If you wonder who actually sticks the swabs into the noses of worried patients, it’s the nurses. They’re on the front line, face-to-face, in the 6-foot danger zone. They are collecting the data that epidemiologists use to track the outbreak.

Moving in and out of negative-pressure rooms, putting protective equipment on and taking it off, nurses are caring for elderly patients who are severely ill and sometimes crashing. The nurses marinate in risk as they spend the greatest amount of time with the patient. They draw blood, obtain samples, provide oxygen, and steadfastly tend to their patients’ needs. They are by the doctors’ side as we intubate patients struggling to breathe. Once that patient is transferred to the intensive-care unit, it’s the nurses who do the mundane and the heroic to make sure the patient sur-

vives the illness or dies more comfortably.

How critical are nurses to the capacity of the health system? The number of nurses staffing the hospital determines its capacity. An absence because of a sick call or child care closes three beds. Understaffed floor beds result in boarding in the emergency department, and that creates a waiting-room backup.

I thank everyone who’s working to help get through this. I commend the scientists at big pharmaceutical companies who are developing better tests and vaccines. I thank the teachers setting up remote classes and the managers making tough business decisions. Everyone is playing a part—but none are more important than the nurses.

Dr. Dohrenwend is assistant chief of emergency medicine at Kaiser Permanente San Diego.

OPINION

REVIEW & OUTLOOK

Coronavirus Models of Uncertainty

President Trump on Sunday said he was persuaded by coronavirus pandemic models to extend national social distancing guidelines through the end of April. The White House plans to lay out the data and assumptions behind the decision on Tuesday, and we look forward to that. Meanwhile, we thought readers might appreciate a dive into one of the more prominent Covid-19 models to look at the wide range of outcomes—and how much uncertainty there continues to be.

White House coronavirus coordinator Deborah Birx said its assessment of how the pandemic would unfold closely mirrors the University of Washington’s Institute for Health Metrics and Evaluation, the so-called Murray model. That group last week estimated 81,114 deaths over the next four months, with 95% confidence that the number would be between 38,242 and 162,106.

That’s a terrible human toll and would be about three times more fatal than the average seasonal flu. But the good news is this fatality forecast is much lower than the 2.2 million that the President suggested as a worst case. Estimates could still shift significantly, and the Murray group plans to update its model as more data flow in from the states and other countries.

Importantly, the Murray model measures deaths in terms of population rather than confirmed cases since testing varies geographically. It also extrapolates U.S. fatalities based on evidence from other hot spots and Wuhan in China after government lockdowns. One important data point: It took 27 days after strict social distancing was implemented in Wuhan before daily deaths peaked. New York, California and other states that took early action to close non-essential businesses are merely starting week three.

Data out of China may not be reliable, and the Murray study underlines that “modeling for US states based on one completed epidemic, at least for the first wave, and many incomplete epidemics is intrinsically challenging.” This is why the estimates are likely to change in the coming days and weeks.

The Murray model also simulates health-care utilization in the states over time based on

other countries’ experience and their projected fatalities in the U.S. About 64,175 more hospital beds, 17,380 intensive care unit beds and 19,481 ventilators on average will be needed nationwide. But demand will be most acute in a handful of states.

For instance, New York will need an estimated 35,000 more hospital and 7,300 ICU beds next week when demand for care is projected to peak. That’s a lot, but blessedly fewer than the 55,000 to 110,000 hospital beds and 18,000 to 37,000 ICU beds that public health officials had said a week or so ago could be needed. This shows how projections can vary and quickly change.

“Demand for health services rapidly increases in the last week of March and first 2 weeks of April and then slowly declines through the rest of April and May, with demand continuing well into June,” the Murray summary notes. “Daily deaths in the mean forecast exceed 2,300 by the second week of April. While peak demand will occur at the national level in the second week of April, this varies by state.”

The Murray model predicts population death rates will fall below 0.30 per million in most Northeastern states, Michigan, Indiana, Nevada and Louisiana by early May, but not until late June or early July for Wisconsin and Florida. The enormous geographical variation and modelling uncertainty no doubt informed the White House decision to extend social distancing guidelines nationwide for at least a month despite Mr. Trump’s previously stated desire to get the nation back to work.

Statistical models are a crucial but not the only factor that political leaders should heed as they make decisions in the public interest. And none of these estimates assumes progress from new treatments that could reduce deaths and hospitalizations. Widespread testing—especially for antibodies for those who developed immunity, as Germany is planning to do—will also be valuable in planning an exit from the sledgehammer of our national lockdown.

April is going to be a brutal month for America, and the next two weeks especially. But as the bad news arrives, it’s important to understand that the worst-case scenarios that many in the media trumpet are far from a certain fate.

More study is needed, and a clinical trial of the two drugs involving 1,100 patients started last week in New York. But the FDA’s emergency

authorization will let more doctors prescribe the drug outside of clinical trials, and hospitals will be required to maintain data on drug dispensation and patient outcomes. This will allow a larger review

than possible in a controlled clinical trial.

Production of the drugs will need to increase so patients with autoimmune conditions can maintain their treatments, and the emergency approval covers only drugs supplied by the National Strategic Stockpile. The Department of Health and Human Services reported Sunday that Novartis has donated 30 million doses of HC, and Bayer has contributed one million doses of chloroquine to the federal government, which can distribute the drugs to areas with the highest need.

Some are attacking President Trump for giving patients “false hope” by encouraging the emergency drug approvals. They quibble that the French study lacked a control group, but are flogging a smaller Chinese study that found no statistical benefit from HC. That study’s control group received other antiviral drugs.

Effective drug treatments would reduce the strain on hospitals and in the long term will be more important and less costly than government quarantines in defeating the pandemic.

that right: “But are you saying that his downplaying ultimately cost American lives?”

Mrs. Pelosi: “Yes, I am.”

The Speaker is a political professional who doesn’t pop off by accident. She clearly went into the interview with a plan to attack Mr. Trump at the start of a week when she knows that the infection and death tolls will mount.

Why go there? The cynical interpretation is that Mrs. Pelosi and her allies have seen the polls that show a majority of the public approves of Mr. Trump’s handling of the pandemic. Perhaps she wants to undermine that perception. She may also be sending a message to her left-wing that even if Mr. Trump wins re-election, she will be happy to investigate and impeach him again for his virus response.

Whatever the reason, this was an ugly note when the public wants signs of cooperation across the government—and when Mr. Trump had been praising Democrats in Congress for helping to pass the \$2.2 trillion relief bill. He also refrained last week from attacking Mrs. Pelosi for delaying the relief bill to add non-virus earmarks like her \$25 million for Washington’s Kennedy Center.

But Mr. Trump can never not respond to an attack and on Monday, after Mrs. Pelosi’s Sunday comments, he hit back in a tweet. That doesn’t help matters at this moment. But remember who cast the first coronavirus stone.

The range of outcomes is large and the worst case far from likely.

The agency finally approves anti-malarial drugs for Covid-19.

The Speaker compares Trump to Nero and blames him for deaths.

LETTERS TO THE EDITOR

Using Drugs off Label for Treating Covid-19

Regarding Charles L. Hooper and David R. Henderson’s “FDA Shouldn’t Keep Safe Drugs off the Market” (op-ed, March 26): The issue the authors don’t mention is that, on average, only 30% to 50% of patients get 50% better when starting a drug. However, 15% to 30% of patients also respond to placebos. A few novel biological medications have achieved better results, but very few.

The 50% improvement is the standard endpoint in many clinical trials. The statistical comparisons are “responder rates”: percentage of subjects better than pretreatment status versus results for a placebo or comparator drug. I usually show results as the difference in outcome between the drug and a placebo to better represent potential gain with a new treatment.

My recommendation has been to allow very sick patients to make the choice for themselves: assume the risks of a drug not yet FDA-cleared for the indication along with the potential benefits. Within that system, every patient should be tracked for outcome. Although these are “N of 1” experiments, good surveillance could speed treatments to the patients who need them. This approach supports the authors’ suggestion to alter drug approval.

JOYCE CRAMER
Houston

The authors fail to point out the huge benefit of the FDA for American medicine. I was in practice in the 1960s when new drugs were pushed weekly by visiting drug salesmen—each touted as a “miracle drug.” Very frequently these new drugs were off the market within six months because of side effects or ineffectiveness. When the FDA began testing new drugs for efficacy, the quality of U.S. drugs improved rapidly and patients benefited by receiving more effective and safe medications. They also saved a lot of money.

Later, I moved to West Africa, where I had to use drugs from India, Italy and elsewhere. I often found those drugs to be useless (at best) and occasionally harmful. I found French drugs to be effective and well standardized in dosage recommendation because France had a government agency that required careful evaluation of drugs, similar to America’s FDA.

Messrs. Hooper and Henderson have a good idea about using untried drugs on the Covid-19 virus infection because nothing else has been effectively tried by the method they recommend. However, controlled trials must be instituted as soon as possible and ineffective drugs taken off the market promptly.

ED MANRING, M.D., M.S.
Westlake, Ohio

Don’t Be Too Hard on New York’s Hospitals

Regarding your editorial “New York’s Ailing Hospitals” (March 26): New York’s Medicaid program is indeed mismanaged in many ways, but blaming it for a shortage of hospital beds during the coronavirus pandemic is going too far. This presupposes that New York has unusually low hospital capacity, when the opposite is true. The number of beds per capita has fallen in recent years, but it remains 13% higher than the national average. It’s also disorienting to hear the word “miserly” applied to a \$75 billion Medicaid program that covers a third of the population and spends more per capita than any other state’s.

Its payment rates for physicians may be paltry compared to Medicare, but not its rates for hospitals. A 2018 study co-authored by Chris Pope of the Manhattan Institute and myself estimated that New York Medicaid reimburses hospitals at about 95% of the Medicare level for patient care, or 130% when supplemental payments are factored in. Overall, the state’s hospital spending per Medicaid enrollee is 37% higher than the national average.

The reason that hospitals have been downsizing and closing in recent years across the nation is declining demand for inpatient care, a generally positive trend. If anything, Medicaid has spent too much money trying to prop up certain hospitals that, in the absence of a rare and virulent outbreak, sit largely empty.

New York obviously needs a better

plan for coping with pandemics. The state’s money would be better invested in practical solutions, and not in maintaining thousands of fully equipped hospital rooms that would sit empty most of the time.

BILL HAMMOND
Empire Center for Public Policy
Albany, N.Y.

Cutting payments to physicians like New York state plans to do under its Medicaid program will only eliminate the few doctors who can afford to accept their patients. We need more primary-care doctors not fewer. Pay them and they will come. Starving them out of existence isn’t a solution.

WILLIAM V. CHOISSER, M.D.
Jacksonville, Fla.

Among the reasons mentioned in your editorial you should have included the ideological requirements for New York hospitals’ funding. Some religious-based hospitals were forced to close in New York City because funding was denied if abortions weren’t performed at those hospitals.

If New York Democrats, including Gov. Andrew Cuomo, continue to follow the dictates of Planned Parenthood and Nara Pro-Choice America, religious-based hospitals will never reopen. They should be held to account.

The losers are the working poor in New York City, where hospital beds are severely diminished.

BRIAN NIXON
Pompano Beach, Fla.

Some Emergency Powers Need Congress’s OK

Regarding the suggestion by David B. Rivkin Jr. and Charles Stimson in “A Constitutional Guide to Emergency Powers” (op-ed, March 20) that “widespread noncompliance with federal quarantines and travel bans promulgated under the Public Health Service Act may qualify as an insurrection.” Authorizing use of the military to enforce federal laws despite the Posse Comitatus Act is an imposition on the Journal’s readers.

The writers, former Republican administration officials, must know that a “stealth” provision of the National Defense Authorization Act of 2007 conferred such authority on the president in cases of “natural disaster, epidemic, or other serious public health emergency.” It was repealed, after a letter of protest signed by all 50 governors, by the National Defense Au-

thorization Act of 2008.

Citizens would do well to remember Friedrich Hayek’s warnings against the abuse of emergency powers and the words of Justice Robert H. Jackson: “men have discovered no technique for long preserving free government except that the Executive be under the law, and that the law be made by parliamentary deliberations.” And: “emergency powers are consistent with free government only when their control is lodged elsewhere than in the Executive that authorizes them.”

The avoidance of military law enforcement is a central principle of the Declaration of Independence, Constitution, and Bill of Rights. The governors and Congress will authorize its use when truly necessary. The president alone may not.

GEORGE W. LIEBMANN
Baltimore

Coronavirus: In a War, the Warriors Get Combat Pay

As an infantry soldier in Vietnam, I received hazardous-duty pay, also known as combat pay. Maybe delivery drivers, grocery clerks, firefighters, medics, law-enforcement officers and medical staff should all receive an additional stipend for their hazardous frontlines duty that’s keeping the rest of us alive (“Workers Thrust Onto Virus Frontlines,” Page One, March 25). After all, President Trump has said combating the new coronavirus is a war.

ED SHERWOOD
Peachtree City, Ga.

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Pepper ... And Salt

THE WALL STREET JOURNAL



OPINION

How to Get America Working Again

By Robert S. Kaplan
And Mickey D. Levy

Last week's unprecedented surge of 3.3 million initial unemployment claims quantifies some of the cost of the shutdowns to contain the Covid-19 pandemic. The Federal Reserve is appropriately focused on keeping the financial system operating and preventing a financial crisis, and the \$2 trillion stimulus will provide income support to sidelined workers and financial help for businesses that face interruptions in demand and cash flow. But monetary and fiscal stimulus aren't substitutes for the most important task: getting the unemployed back to work while protecting their health and safety.

Many of the idled workers have low and middle incomes. They and their families are not only financially distressed but also vulnerable to health problems: anxiety, depression, substance abuse, hypertension. They need a coronavirus exit strategy that protects their health and enables them to regain their jobs. Here are some components:

Any sustainable strategy against the coronavirus has to balance public health and economics.

- *Expand testing.* No return-to-work strategy is feasible without mass testing of both the affected and the asymptomatic. Singapore and South Korea deployed extensive testing, contact tracing, community surveillance, isolation of cases and quarantining of contacts to contain their outbreaks without massive economic damage. March 29 data show that incidence rates in Singapore and South Korea were less than 12% of Italy's and death rates 1/50th as large. Germany and Israel, which likewise acted quickly and decisively, also have far lower death rates than Italy and Spain.

America's six-week delay in testing capacity has prevented policy makers from following these international best practices. U.S. testing capacity is finally ramping up and now exceeds 100,000 tests a day, ac-



MARTIN KOZLOWSKI

cording to the Covid Tracking Project. On Friday the Food and Drug Administration authorized Abbott Labs' new coronavirus test, which can deliver a positive result in five minutes. As such gains accelerate, we can consider allowing low-risk people to return to their jobs.

- *Choose an appropriate yardstick.* Covid-19 risks do not have to be reduced to zero for some people to return to work. In the past eight months, thousands of Americans have fallen ill and died from seasonal influenza. Medical experts consider this a typical flu season, and citizens and government officials have come to accept these unfortunate outcomes without calling for forced flu vaccinations, mandated distancing or self-quarantine to reduce morbidity and mortality from seasonal flu. The government should conduct serological testing—screening blood for antibodies—to see how many in a random sample of Americans have already recovered from Covid-19. This information will give scientists a more accurate estimate of the mortality rate, which if on the low end of current estimates may allow for some public-health measures to be relaxed.

- *Protect the vulnerable.* Emerging evidence suggests that cytokine storms, an immune response that destroys healthy lung tissue, could be an important factor in Covid-19 mortality. Fortunately, screening for hyperinflammation is relatively straightforward and inexpensive, and targeted therapies for cytokine

storm syndrome are already in clinical trials, which will make it easier for hospitals to treat this adverse response. The elderly and other high-risk populations should be identified, quarantined until the acute stage of the epidemic has subsided, and provided with guarantees of home delivery of food and necessities.

- *Let the young return to work first.* For most young, healthy people who contract the virus, it isn't a death sentence and symptoms are relatively mild. If people are allowed to return to work but develop symptoms and test positive, they and those in contact with them should be quarantined and treated, as in Singapore. Those who have recovered or are tested and found to have antibodies against the novel coronavirus are likely to be at low risk for reinfection and could be allowed to return to work.

- *Gradually allow "nonessential" businesses to reopen.* As of Monday morning, 26 states had issued stay-at-home or shelter-in-place orders. These typically require all businesses to close and send their employees home unless they're on a list of "essential businesses." But many businesses left off the list are vital, for at least two reasons.

First, the products produced by many essential businesses require complex supply chains, perhaps originating in a small company of which even a large business may be unaware. Closing a small company that produces a vital component

not available elsewhere will soon interrupt the essential business's production.

Second, even the best state leaders can't anticipate where innovations to contain and treat the epidemic will emerge. Would a governor have known to allow a distillery to remain open so it could use its inventory of alcohol to produce sanitary wipes? Could a governor's staff predict all the small and medium-size manufacturers in their state that could switch production lines to produce personal protective equipment and ventilators? History shows that innovation comes from unexpected sources and when demand to relieve dire circumstances is highest.

- *Prioritize reopening in industries compatible with physical distancing.* Many of the 7.6 million jobs in construction can be performed by physically separated workers. Allowing construction to restart would restore millions of jobs and reactivate the sector's extensive supply chains of building materials and products, plus the services that support them.

Consider also the nearly 109 million workers employed in service-producing companies. The shutdown of the leisure and hospitality sector, employing about 17 million people, was understandable as a short-term containment measure, and demand is down anyway. But hundreds of thousands of small retailers, whose millions of employees supply products and services that consumers want to purchase, have also been forced to close.

Evidence that the epidemic has subsided, along with rigorous monitoring, immediate access to faster testing, better treatments and therapies, and more awareness of personal hygiene and physical distancing should enable many enterprises to reopen. The change of seasons may also ease the crisis, as higher temperatures historically have slowed viral contagion. Governments should make every effort to wind down the shutdowns judiciously and allow Americans to get back to work.

Mr. Kaplan is senior fellow and professor emeritus at Harvard Business School. Mr. Levy is chief economist for U.S. and Asia at Berenberg Capital Markets LLC and on the Shadow Open Market Committee.

Federalism And the Lockdown

By Walter Olson

President Trump no longer hopes to see lockdown restrictions relaxed and many businesses reopened by Easter—April 30 now looks like the target date—but it isn't his call. Public-health merits aside, the president can't legally order the nation back to work. The lockdown and closure orders were issued by state governments, and the president doesn't have the power to order them to reverse their policies.

In America's constitutional design, while federal law is supreme, the national government is confined to enumerated powers. It has no general authority to dictate to state governments. Many of the powers government holds, in particular the "police power" invoked to counter epidemics, are exercised by state governments and the cities to which states delegate power. When yellow fever ravaged Philadelphia in 1793, it was the city of Albany, N.Y., that required the arriving Alexander Hamilton and his wife, Eliza, to wait out a quarantine at the Schuyler Mansion. To this day, U.S. states remain in charge of responding to epidemics.

Trump can't order the country back to normalcy by April 30 or any day. That's for states to decide.

Modernizers have long scoffed at America's federalist structure as inefficient and outdated, especially in handling emergencies. Only the mighty national government, they argue, can quickly assemble the best information, use it to design and adopt a consistent set of policies, and then get the word out clearly and persuasively to the entire country.

Today you won't find these critics scoffing at the states or overglamorizing Washington. One federal institution after another, including the Food and Drug Administration and Centers for Disease Control and Prevention, has been caught flat-footed by Covid-19. White House briefings have been contradictory, unfocused and often at variance with actual policy, while Congress spent days bedecking a legislative Christmas tree of a relief bill, sagging under the weight of superfluous ornaments.

State governments, by contrast, with some exceptions here and there, have responded to the emergency more skillfully and in a way that has won more public confidence. States have had four key advantages:

- *Knowledge of resources.* States know far more than Washington about available local resources, such as closed hospitals, and how to activate them. Thus the quick plans to convert convention centers in New York, Baltimore and Santa Clara, Calif., into temporary hospitals, and Maryland Gov. Larry Hogan's idea of repurposing the state's vehicle-emissions inspection centers for drive-through medical testing.

- *Knowledge of hazards.* In some states, tourist crowds and late-night revelers pose the most urgent danger of spreading the virus, while in others it's church gatherings. States with dense, transit-dependent cities face one set of challenges; those at the hub of international air travel, another. States can tailor local policy emphasis and messages in ways that would elude or overcomplicate any federal plan.

- *Knowledge of response priorities.* After the federal government's fiasco in failing to approve Covid-19 tests, Gov. Andrew Cuomo of New York made sure his state took the lead in rolling out testing. His instincts were proved correct when that testing confirmed New York City's status as the hotspot of the U.S. outbreak.

- *Quicker, more flexible mistake correction.* Pennsylvania Gov. Tom Wolf drew fire when, after waiting longer than his neighbors to respond to the crisis, he instituted sweeping closures. Almost at once, local voices pointed out that many of the facilities being closed—from rest stops relied on by truckers to laundromats, forestry companies and accounting firms—were either more vital to everyday life than the state had reckoned, less risky to operate or both. Mr. Wolf heard them and promptly backed off on multiple categories. It's a lot easier for locals to reach someone in the governor's office than the president's.

Whether America begins returning to normalcy on April 30 or not, the coronavirus crisis will put the U.S. system of government to the test. The record of federal systems—some of the best known are in Canada, Germany and Switzerland—suggests there's a lot of resilience packed into the model.

Mr. Olson is a senior fellow at the Cato Institute.

Save Capitalism From the Cares Act

By Amit Seru
And Luigi Zingales

A surreal bipartisanship prevails in Washington. Everyone wants to spend, spend, spend. Senate Majority Leader Mitch McConnell, who aggressively fought President Obama's 2009 stimulus package, was delighted the other day to announce a fiscal stimulus more than twice as large. Democrats are pushing for more.

Are we all Keynesians now? Or have we all embraced the so-called Modern Monetary Theory, which suggests that when an economy is below its full potential, we can print money to finance any deficit without provoking inflation? No. The answer is much simpler. We are all experiencing the effects of combining a real crisis with powerful lobbying.

With 20% of Americans locked in their homes, nearly all air travel canceled, and the global supply chain disrupted, you don't need to be a Keynesian to think the government should intervene. But that doesn't mean the Cares Act—an acronym for Coronavirus Aid, Relief, and Economic Security—is wise. The last thing we need at this moment is a Keynesian stimulus. Since the lockdowns constrain supply, stimulating demand would lead only to a rise in prices.

Besides helping the medical effort, government intervention should offer financial help to people who can't work, and it should preserve the production capacity of the U.S. economy. The greatest resource most companies have is their teams of employ-

ees. If they dismantle those teams because of the pause in the economy, production capacity will be lower at the end of the pandemic.

Only \$377 billion of the \$2 trillion package is directly targeted to this goal. These are loans to small firms (fewer than 500 employees), which are forgivable if the funds are spent on payroll, rent, mortgage interest and utilities. By using 2017 census data (the most recent available), we

The stimulus is the largest step toward a centrally planned economy that America has ever taken.

calculated the total expenditures in payroll, interest expenses and rents of U.S. small firms amounts to \$258 billion a month. Unless the Trump administration introduces criteria for selective targeting, the money allocated in Cares will run out in a month and a half. Designing the conditions for such targeting isn't easy, since every requirement will slow the money's deployment and speed is of essence. Thus, we fear that the administration will soon come back to Congress with a new request for money.

The need to help individuals and small firms has provided cover to the largest corporate subsidy program in U.S. history. Under intense pressure from lobbyists, the Cares Act allocates \$510 billion to support loans for large businesses. A small

chunk of this money (\$56 billion) will be used directly by the Treasury to grant loans to airlines and other "strategic" firms (read: Boeing). The Treasury will then confer the rest (\$454 billion) to the Federal Reserve to absorb losses the Fed might incur in lending to firms in the private sector.

The expectation is that the central bank will leverage this money 10 to 1, enabling it to lend up to \$4.54 trillion to companies. That sum is more than all U.S. commercial and industrial loans outstanding at the end of 2019 (\$2.35 trillion) plus all the new corporate bonds issued during 2019 (\$1.41 trillion). Thus, if this capital is all deployed by the Fed, and at rates that will surely crowd out private capital, all capital allocation in the U.S. in 2020 will be done by the Federal Reserve System, not by the capital market. This is the largest step toward a centrally planned economy the U.S. has ever taken. And it socializes only losses. Profits, when they come, remain private.

There needs to be far more transparency, governance and accountability around the Fed's deployment of trillions of dollars in the real economy. Policy makers also should make the \$510 billion program for large companies similar to that for

small firms, but with tougher conditions. Again using 2017 census data, we calculated the total expenditures in payroll, interest expenses and rents of all U.S. large companies to be \$392 billion a month.

Yet not all large companies are idle. Amazon is doing great, and so are Google and Facebook. Overall, large businesses are likely to be hit less hard than the U.S. economy overall. Goldman Sachs forecasts a 24% drop in this coming quarter. Even if the large companies were hit in proportion to the overall downturn, the cost of replacing their wages, rents and interest would be only \$94 billion a month. So the \$510 billion would last almost half a year.

The urgency of the moment facilitated a giveaway to vested interests. Now that the Cares Act is law, policy makers need to find ways to impose restrictions on how the money is deployed. It isn't only a question of fiscal prudence; the nature of American capitalism is at stake.

Mr. Seru is a professor at Stanford Graduate School of Business and a senior fellow at the Hoover Institution. Mr. Zingales is a professor at the University of Chicago Booth School of Business and co-host of the podcast "Capitalism't."

Notable & Quotable: Gouging

From Brandon Fuller's interview with Paul Romer, University Professor at New York University and co-recipient of the 2018 Nobel Prize in Economics, City Journal, March 25:

Fuller: So ubiquitous testing and plentiful personal protective equipment are the keys to getting people back to work and restoring economic normalcy. How do we get from where we are today—short on tests and protective equipment—to where we need to be? How can policy induce more tests and more and better equipment?

Romer: There's an interesting constraint here involving perceptions of price-gouging. We may need just to accept the fact that many people get very upset when they see what they think of as price-gouging. And many firms don't want their reputation damaged because they are accused of it. Economists know that this is inefficient, but it's just the reality. But it's also important to understand that a firm making N95 masks will need to scale production dramati-

cally. At something close to normal prices, it is unlikely that a firm will buy the additional capital equipment necessary for a many-fold increase in their production capacity, only to meet a temporary surge in demand. Firms won't be able to recover their costs from capital equipment.

So I think we have to be creative about using things like the Defense Production Act and having the government do what it has done to mobilize resources during past wars. I think we need to be realistic that very high prices will not be politically or socially acceptable, government will need to be creative, and find other ways besides a temporarily high price that can make it attractive for firms to undertake a surge of production. For example, the government might pay for the cost of the capital equipment needed to expand production and then lease it on a month-to-month basis to the firm so that the government bears the risk of a quick end to the crisis that makes the excess capacity obsolete.

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Corporate Bonds Gain a Broader Appeal

Companies issue debt for a cushion in crisis, and begin attracting more stock investors

By MATT WIRZ

Companies ranging from Oracle Corp. to Nike Inc. are borrowing record amounts in the investment-grade bond market to build cash before the full impact of the novel

coronavirus hits the U.S. economy. Much of the new debt is being purchased by an unusual type of buyer: stock investors. "There is a rotation from a number of nontraditional investors out of other asset classes like high-yield, distressed debt and equities into investment grade," said Andrew Karp, head of investment-grade capital markets at Bank of America Corp. "Among other reasons, it's a place to hide from volatility."

Issuance of investment-grade bonds in the U.S. hit about \$73 billion last week, roughly 21% higher than the previous high-water mark reached in 2013, according to data from Dealogic. Retail-oriented giants like Nike and Home Depot Inc. were among the biggest initial borrowers—issuing \$6 billion and \$5 billion, respectively—but the pace of new deals remains high, with names like technology company Oracle

and food-services provider Sysco Corp. joining the fray Monday. Nontraditional buyers are accounting for as much as one-quarter of the orders for the new investment-grade bonds Bank of America is selling, Mr. Karp said. The bank arranged Nike's deal, among others. Investment-grade bond prices fell sharply in March as some fund managers sold out to meet client redemptions,

pushing yields up and making the debt more attractive to buyers like hedge funds that normally focus on stocks. Many investors became more willing to buy the bonds after the U.S. Federal Reserve announced its own plans to start purchasing highly rated corporate debt to bolster the market. Bond yields rise when prices fall. "We generally look at high yield but we've played in some of these deals," said David

Norris, head of U.S. credit for London-based TwentyFour Asset Management. Disruptions in the commercial paper market have been forcing blue-chip companies to borrow at unusually high yields although pricing has started to normalize in recent days, presenting fewer options for bargain hunters, he said. The yield of a Bloomberg Barclays index of U.S. investment-grade corporate bonds Please turn to page B10

Stocks Jump Over 3% Despite Mounting Toll Of Virus on Economy

U.S. stocks rose and oil prices dropped to an 18-year low Monday after government officials signaled that measures to contain the coronavi-

By Paul Vigna, Joe Wallace and Joanne Chiu

rus pandemic are likely to remain in place for an extended time.

The Dow Jones Industrial Average and S&P 500 have rallied more than 15% since bottoming a week ago but remain down more than 20% from their February records as the pandemic has closed businesses, reduced air travel and pushed millions of people to work from home.

The blue-chip index rose 690.70 points, or 3.2%, to 22327.48, while the S&P 500 added 85.18 points, or 3.4%, to 2626.65. The Nasdaq Composite rose 271.77 points, or 3.6%, to 7774.15.

The White House on Sunday extended its social-distancing guidelines through the end of April. The move marks a shift in stance for President Trump, who had said that he hoped to ease some restrictions by Easter to limit the damage.

U.S. crude-oil futures tumbled as analysts forecast that quarantine measures are leading to the biggest decline in oil demand in history.

Oil settled down 6.6% at \$20.09 a barrel, a level last seen in February 2002.

What is becoming clear is the pandemic is going to force a "very deep recession," said Nariman Behravesh, chief economist at research firm IHS Markit.

The firm expects second-quarter gross domestic product to contract 20% to 25% and the economy to shrink in the third quarter as well.

The market hasn't, however, digested how slow the recovery will be, he said. Restarting supply chains will be slow, and capital spending likely restrained. People are going to be hesitant to go out in large group settings and reluctant to spend, he added.

"We'll be on a lower trajectory for a long time," Mr. Behravesh added.

The end of the first quarter, on Tuesday, will also test many businesses' ability to pay bills. And traders are bracing for fresh constraints on liquidity in some financial markets as investors take stock of portfolios and banks assess their balance sheets at the end of March.

Oil prices came under renewed pressure as the restrictions on business activity in most economies—combined with the threat of elevated production levels from Saudi Arabia and Russia—raised the prospect of a longer downturn in fuel markets.

Global oil demand is set to drop 12 million barrels a day in the second quarter in the steepest decline on record, according to analysts at Bank of America.

With production also set to pick up, the bank forecasts that both U.S. and global crude futures will fall below \$20 a barrel in the coming months and the world may run out of storage space for oil.

Despite the selloff in equities last month, stock prices Please turn to page B10



Some more established auto makers, notably BYD, have ramped up EV sales, suggesting the startups may have missed their chance.

Money Dries Up and Sales Slow For China's Electric-Car Startups

By TREFOR MOSS

SHANGHAI—China's army of electric-vehicle startups were once positioned to put China at the head of the global EV revolution, but the coronavirus and struggles before the pandemic threaten ruin for dozens of them.

With lucrative state subsidies set to end soon and private capital drying up, hard-pressed startups are now chasing funding to keep afloat.

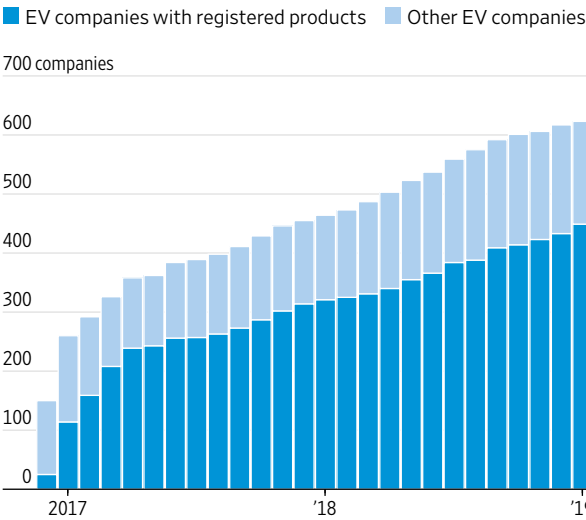
"We do need to get investment very quickly," said Huang Ximing, a former Ford Motor Co. and General Motors Co. employee who founded Bordrin Motors, an EV startup based in the city of Nanjing. Mr. Huang had lined up meetings with potential investors—most importantly with the government of Tianjin, a port city near Beijing—early this year as he sought a financial lifeline.

"But the virus disrupted that," he said. "We hoped to close deals in February, but nobody could work."

It has been a sharp reversal of fortunes for Chinese EV companies. Flush with subsidies and private capital, the startups had once looked unstoppable. By early 2019, the

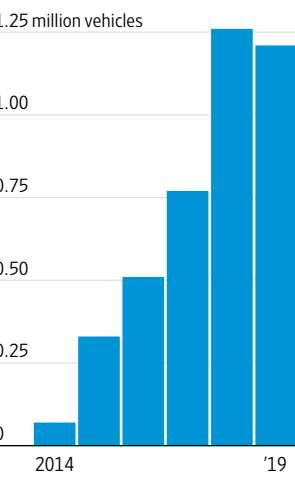
As of early 2019, the number of electric-vehicle makers in China had been rising while vehicle sales declined last year as the auto sector suffered a downturn.

Number of electric-vehicle companies in China



Sources: China's NEV State Monitoring Center (companies); China Association of Automobile Manufacturers (sales)

Number of electric vehicles sold in China



country had 635 of them, according to the government-backed NEV State Monitoring Center, some promising to reinvent the automobile just as Apple Inc. transformed the cellphone.

But there is little to show for all the hype. Most of China's EV startups have yet to

make a single production car, and the few that have aren't selling nearly enough to survive.

China's EV subsidies previously filled the gap left by meager sales, but those are now due to end this year, while most private investors have grown disillusioned.

Market conditions have also conspired against them. EV startups had been banking on a fast ramp-up in 2020 sales to generate some much-needed cash flow. But after EV sales in Please turn to page B2

◆ Heard on the Street: A rough road for China's car firms. B11

Instacart, Amazon Workers Protest Pay, Virus Protections

By JAEWON KANG AND SEBASTIAN HERRERA

Some delivery and supermarket workers are staying home to draw attention to requests for better pay and added protections against the risks they face as the coronavirus pandemic intensifies.

Some Instacart Inc. workers on Monday declined to accept orders and asked customers not to place them. More than 50 workers at Amazon's Staten Island, N.Y., fulfillment center left work, according to Athena, a coalition that represents Amazon workers. Amazon said 15 workers participated in the walkout. And some workers at

Whole Foods Market, Amazon's grocery chain, said they planned to call in sick on Tuesday, according to a petition they posted online.

Orders for groceries and other consumer goods have surged as more people stay home to mitigate the risk of contracting or spreading the virus. That is straining the capacity of delivery services and raising pressure on companies to add pay and protections for couriers.

Sarah Polito, an organizer of the Instacart strike who said she has delivered groceries for the company for nearly two years, said she and fellow workers are asking for hazard

pay of \$5 per order, a default tip of 10% and sick pay.

"We're being treated as employees but not getting paid as such," Ms. Polito said.

An Instacart spokeswoman said the company is committed to offering its workers a safe, flexible way to earn money. She said the strike didn't affect its operations and there were 40% more couriers active on its platform on Monday compared with a week earlier.

The San Francisco company, which has a workforce of about 200,000, many of them contract workers, said it is providing disinfectants to its couriers. On Sunday, the company Please turn to page B4

INSIDE



LUCKY HENNETT FOR WSJ

BUSINESS
Community banks brace for fallout as coronavirus spreads. B3

HEARD ON THE STREET
Regional carriers are in for a shake-up after pandemic. B11

UAW Leader Faces Possible Ouster Over Harassment Claims

By NORA NAUGHTON

The executive board for the United Auto Workers began a process Monday to remove one of its own members following an internal investigation into allegations he sexually harassed subordinates.

The UAW's governing body filed charges against board member Richard Rankin through the union's formal grievance process, saying the investigation had substantiated allegations of workplace harassment.

The investigation centered

on sexual-harassment allegations, according to a person familiar with the matter, and was reported by The Wall Street Journal earlier this month.

Monday's charges, which prompt an internal jury trial at the union, are the first step in removing an elected officer at the union. The board later voted to suspend Mr. Rankin, a UAW spokesman said. The UAW's governing body will oversee his Ohio region until the matter is resolved.

Mr. Rankin denied allegations of workplace harassment Please turn to page B2

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	Ford Motor.....A7	Oracle.....B1
Abbott Laboratories.....B3,B10	Foxconn Technology Group.....B4	P
Airbus.....B11	G	Parsley Energy.....A7
Allstate.....A6	Gannett.....B4	Phillips 66.....B10
AMC Entertainment Holding.....B2	Gap.....A1	Pioneer Natural Resources.....A7
American Airlines Group.....B10,B11	General Electric.....A7	Progressive.....A6
American Express.....A7	General Motors.....A7	R
Apple.....B4	H	Regal Cinemas.....B2
Ascena Retail Group..A8	Hartford Financial Services Group.....A6	S
AwesomenessTV.....A11	Henry Schein.....B3	Silver Airways.....B11
B	H.I.G. Capital.....B2	Skywest.....B11
Bank of America.....B1	Home Depot.....B1	Sysco.....B1
Bank of New York Mellon.....B2	Honda Motor.....B2	T
Berkshire Hathaway...A6	J	Tesla.....A7
Boeing.....B11	Johnson & Johnson.....B3,B10	Toyota Motor.....B2
C	L	Trans States.....B11
Cinemark USA.....B2	Lyft.....B3	Travelers.....A6
Cineplex.....B2	M	Tubular Labs.....A11
Cov��a Coop��rations...B3	Macy's.....A1	U
D	Marcus.....B2	Uber Technologies.....B3
Delta Air Lines.....B10	Medtronic.....A7	United Airlines Holdings.....B10
E - F	Mesa Biotech.....B3	V
EXOR.....B3	N - O	ViacomCBS.....A11
Exxon Mobil.....A7	Nike.....B1	VIP Cinema Holdings..B2
Facebook.....B4	Nissan Motor.....B2	W
Ferrari.....B3	Oaktree Capital Management.....B2	Walt Disney.....B3
		WeWork.....B3

INDEX TO PEOPLE

A	Echevarria, Joseph.....B2	McCormick, James....B10
Amin, Shilpan.....A7	G	N
B	Gibbons, Todd.....B2	Nolletti, David.....B11
Barra, Mary.....A7	H	R
Behraves, Nariman...B1	Huynh, Sophie.....B10	Rankin, Richard.....B1
Brown, Campbell.....B4	J	S
C	Johnson, Gerald.....A7	Schenk, Maarten.....B4
Chenault, Kenneth...A7	K - M	Shirley, Brian.....A7
D - E	Karp, Andrew.....B1	Skupien, Tracy.....A7
DeSantis, Ron.....B11	Kee, Thomas.....B10	T
Duke, Alan.....B4	Kienle, Phil.....A7	Tard��guila, Cristina...B4



VIP Cinema's theater customers stopped showing movies.

Movie-Seat Supplier To Shut Down After Restructuring Fails

By BECKY YERAK

VIP Cinema Holdings Inc., which makes reclining seats for movie theaters, is shutting down for good after economic fallout from the coronavirus pandemic made a proposed restructuring impossible, according to people familiar with the matter.

The St. Louis-based company told hundreds of employees it would close down, these people said, as efforts to combat the pandemic through social distancing have taken a toll on the entertainment industry.

The business had filed for chapter 11 in U.S. Bankruptcy Court in Wilmington, Del., in February but hoped to emerge with about \$150 million less debt under a restructuring proposal backed by Oaktree Capital Management LP.

What was supposed to be a speedy exit from bankruptcy began unraveling as many of VIP Cinema's customers stopped showing movies to try to slow the spread of the pandemic.

VIP Cinema's biggest shareholder is private-equity firm H.I.G. Capital, which invested in the company in 2017 and would have retained a stake under the restructuring proposal. Backers of the prepackaged

strategy had second thoughts as the Covid-19 pandemic spread, a person familiar with the matter said.

Regal Cinemas Inc., which had sued VIP over allegedly defective seats, said last week the proposal was no longer feasible given the pandemic's impact on the movie business.

In court papers, Regal said loans and equity investments included in the proposal may never materialize given "the current economic and public health conditions."

VIP Cinema, which sold to customers including Cinemark USA Inc., Marcus Corp., Cineplex Inc. and AMC Entertainment Holdings Inc., entered bankruptcy with 373 employees. The company was founded in 2008 to make residential furniture in New Albany, Miss., where it still has a manufacturing operation.

In 2012, it began making recliners for movie theaters. New Albany Mayor Tim Kent said he and others were saddened to learn of VIP Cinema's planned shutdown. VIP had filed for bankruptcy partly as demand for its flagship product neared a saturation point, given that many movie theaters had installed at least some reclining seats. Online streaming services have also put pressure on the industry.

BNY Mellon Appoints Gibbons Permanent CEO

By COLIN KELLAHER

Bank of New York Mellon Corp. on Monday said it named Todd Gibbons as chief executive, removing the interim tag he has carried since last fall.

Mr. Gibbons took the helm of the New York bank in October after Charles Scharf resigned as chairman and CEO to become president and CEO of Wells Fargo & Co.

BNY said Mr. Gibbons, 63 years old, "has performed ex-

ceptionally" during his interim stint, adding that the board conducted a comprehensive search over a number of months for a successor to Mr. Scharf.

The longtime BNY executive joined the bank in 1986.

BNY said Joseph Echevarria, a board member since February 2015, will continue to serve as independent chairman. Mr. Echevarria, who stepped in as chairman when Mr. Scharf left, retired in 2014 as CEO of SDeloitte LLP.

BUSINESS & FINANCE



Honda's production was down 14% in Japan and 5% in the U.S. in February. A Honda CR-V at a port in Yokohama, Japan.

Japan's Auto Output Was Falling Before Coronavirus Hit in March

By SEAN McLAIN

TOKYO—Japanese car makers slashed output in February at home and in other major production centers, suggesting the industry was slowing down before the full weight of the coronavirus pandemic crashed down in March.

Toyota Motor Corp. said global production fell 14%, Honda Motor Co.'s production fell by more than a quarter and at Nissan Motor Co., the drop was nearly 30%.

While China was a big fac-

tor, since most factories had to close there in February during the worst of the coronavirus's spread, it wasn't the only cause. Nissan's production had been declining due to falling sales around the world. Its production fell 29% in Japan and 24% in the U.S. in February. Honda's production was down 14% in Japan and 5% in the U.S. in February.

Much steeper declines are expected in March, when the novel coronavirus spread around the globe and was declared a pandemic. Car makers

have closed factories in Asia, Europe and the U.S. this month so that workers can stay home. The shutdowns are likely to last until at least early or mid-April in the U.S. and until at least late April in Europe.

Global auto sales were already expected to decline on slowing economic growth, but the virus has sent them into a free fall. Car sales could drop to 69 million units this year from 90 million in 2019 if the virus continues to spread into the second half of the year, ac-

cording to a March 27 report from LMC Automotive, a forecasting firm.

On Friday, Nissan said it would cut one of two shifts at its plant on the southern Japanese island of Kyushu in April before suspending production completely starting in May. The company said this is due to lower car sales. The Kyushu plant ships Rogue sport-utility vehicles to the U.S.

On the brighter side, plants in China are expected to ramp up production starting in April.

Outlook Dims for China EVs

Continued from page B1

China declined 4% to 1.21 million vehicles last year as a downturn gripped the auto sector, the coronavirus, hitting consumer confidence, has further crushed demand. Auto sales could fall 25% year-over-year in the first half of 2020, the China Association of Automobile Manufacturers estimates—although on Thursday the Ministry of Commerce said it was planning stimulus measures for the sector, including EV promotions.

While local startups have struggled to make an impression, Tesla Inc. and several established auto makers, notably BYD Co., have been ramping up their EV sales, suggesting the startups may have missed their chance.

"Call it game over for most EV startups in China," said Michael Dunne, chief executive of consulting firm ZoZoGo. "Without fresh funding most will simply grind to a halt."

China's best-known EV startup, NIO Inc., sold 20,565 cars last year—more than any of its startup peers—but lost \$1.6 billion in the process, with a negative 9.9% margin on each vehicle sold.

NIO has cut costs and slashed head count. It has a 5,000-order backlog and should start delivering positive margins in the second quarter, the company said in response to questions.

NIO and other startups—once champions of Chinese private-sector innovation—are now turning to the one entity that is still prepared to bankroll many EV companies: the Chinese state.

In February, NIO announced a preliminary agreement with the government of Hefei, a city 300 miles west of Shanghai. Hefei would provide funding in return for NIO moving its headquarters there and deepening

its relationships with local companies, chiefly JAC Motors, a state-owned auto maker that already assembles NIO's cars.

Local governments in China have a history of making risky bets on EV companies, seeing them as a means to modernize fusty local car makers and support the economy through jobs and taxes, "even if it means financial losses," said Mr. Dunne.

'Call it game over for most EV startups in China,' says one industry consultant.

Mr. Huang's Bordrin is beating a similar path to the government's door.

The company has already burned through roughly \$300 million developing EVs at research-and-development centers in Nanjing and Oak Park, Mich.

While some Chinese EV startups were founded by peo-



NIO has cut costs and slashed head count. A NIO SUV at the Shanghai Auto Show last April.

UAW Files Case Over Allegations

Continued from page B1

in a statement provided by his lawyer. "I look forward to clearing my name and expect to be fully vindicated," Mr. Rankin said. He previously said he was cooperating with the investiga-

tion. Mr. Rankin is the latest UAW leader to face expulsion. Representing some 400,000 workers as one of the nation's most prominent unions, the union also is grappling with a years-long federal investigation into corruption that prosecutors have said could result in federal oversight of the labor union.

The UAW has said it is executing reform efforts and has condemned former leaders charged in the investigation. An independent lawyer hired earlier this year by the UAW

had been probing harassment allegations against Mr. Rankin by two current female UAW staffers, according to people familiar with the inquiry.

Mr. Rankin, who heads the union's most populous region and by extension holds a powerful position on the UAW's governing board, was alleged to have repeatedly made sexually charged remarks that in one instance escalated to a physical threat, the people said.

The UAW was separately reviewing a formal grievance from a group of UAW-repre-

sented nurses involving Mr. Rankin that also contains allegations of sexual harassment, people familiar with that complaint say.

The union brought in an attorney from the Washington-based law firm Bredhoff & Kaiser, PLLC in January to conduct an independent investigation into the women's claims, the people said. The UAW's executive board received the report on Friday, according to the UAW statement.

—Ben Foldy contributed to this article.

Disney Executives To Take Pay Cuts

By Kimberly Chin

Walt Disney Co. said Chairman and former Chief Executive Robert Iger has agreed to forgo most of his salary while his successor, CEO Bob Chapek, along with several executives, will take pay cuts as the company works through challenges stemming from the coronavirus pandemic, including the closure of parks in key markets.

In addition to giving up his salary, Mr. Iger will waive his right to a car allowance, the company said on Monday. Disney will continue to pay Mr. Iger for health-care benefits.

Mr. Chapek will forgo half of his salary.

Disney said several executives including President and General Counsel Alan Braverman, Finance Chief Christine McCarthy, Human Resources Chief Jayne Parker and Communications Chief Zenia Mucha have agreed to cut 30% off their base salary.

The cuts will take effect starting April 5.

Exor Invests in Ride-Share Firm Via

By Cara Lombardo

Exor NV, the holding company of Italy's Agnelli family, is investing in ride-share company Via Transportation Inc., a move that would mark its first big foray into the technology sector.

Exor said Monday it is investing \$200 million in New York-based Via. The investment would give Exor just under a 9% stake in Via and would value Via at \$2.25 billion. Via had last been valued at roughly \$1 billion in late 2017, according to PitchBook.

The Wall Street Journal first reported details of the investment earlier Monday.

Via will become one of Exor's primary investments alongside significant stakes in Fiat Chrysler Automobiles NV, Ferrari NV, Italian soccer club Juventus and the Economist magazine, among others.

Via was founded in 2012 by Daniel Ramot and Oren Shoval, two friends who met in the Israeli army, and launched in New York City the following year. Unlike larger rivals Uber Technologies Inc. and Lyft Inc., which tend to ferry individual riders, Via's focus is arranging carpools and partnering with cities, companies and schools to provide software to make shuttle and public transit routes more responsive to demand. In some cases, it also operates the routes.



Daniel Ramot and a friend started the car service in 2012.

For example, the company has a contract with the New York City Department of Education to use its software to plan school-bus routes, and it operates on-demand vans in

cities including Seattle.

Exor, run by chairman and CEO John Elkann, previously made a small investment in Via through its Exor Seeds venture fund, according to its website. Noam Ohana, who runs Exor Seeds, will join the board of Via as part of the deal.

Mr. Ramot said in an inter-

view that Exor and Mr. Elkann's team brings an understanding of how the transportation industry is changing and the expanded role Via could play in its future. "You need that sort of patient investor who's not looking for an exit two or three years down the road but is looking to build something," he said.

Via operates in 70 cities around the world. Like many startups, it has been focused on expansion and hasn't yet posted a profit.

The investment would help Via increase in scale and apply its platform not just to personal travel but also deliveries. It isn't being made with an eye toward combining Via with one of Exor's automobile holdings, people familiar with the matter said.

Like its competitors, Via has suspended shared rides in some areas in response to the coronavirus pandemic and has retooled some of its services. For example, it said last week it was partnering with the Berlin transit system to give rides to health-care workers in off-hours.

Even before recent widespread shutdowns caused ride numbers to plummet, Via and other startups faced increased

scrutiny from investors who have become more wary of unprofitable companies in the wake of WeWork's aborted IPO and last year's disappointing debuts of Uber and Lyft.

As of Monday, Uber and Lyft were worth roughly \$48 billion and \$8.3 billion, respectively, a significant drop from their IPOs. Via has said its focus on shared rides makes it more sustainable and less likely to cause congestion than other ride-hailing services.

The Agnelli family owns 53% of Exor through a holding company controlled by more than 100 descendants of Mr. Elkann's great-great-grandfather, who co-founded Fiat at the end of the 19th century.

Exor owns 30% of Fiat Chrysler, a stake that will be cut in half when the Italian-American car maker completes its merger with Peugeot maker PSA Group by early next year. The holding company also owns 23% of luxury car maker Ferrari, almost two-thirds of Juventus and 27% of agricultural-equipment maker CNH Industrial NV.

Exor also owns reinsurer PartnerRe Ltd., which it recently agreed to sell for roughly \$9 billion to French insurer Covéa Coopérations.

Community Banks Brace for Local Business Shocks

By Orla McCaffrey

From his office off U.S. Highway 136, Mike Estes has a clear view of the main strip leading into Fisher, Ill., population 1,900. The president of Fisher National Bank knows the agricultural community well, including the handful of small businesses that dot the road.

In recent days, he has worried about their fate. The state has shut down nonessential business as the coronavirus spreads.

"We've got some small restaurants here, and it could be devastating for them," Mr. Estes said. "I'm not sure if they would be able to come back."

The economic fallout of the novel coronavirus poses a new challenge for small banks across the country. Most of America's banks are like Fisher National—woven into the local economy and a key source of credit for small businesses. As the downturn squeezes more industries, community banks must balance helping these businesses with protecting their own bottom lines.

Some community bankers say they have already started getting calls from businesses and individuals who say their cash flow might be tight for a while. At Stephenson National Bank & Trust in Marinette, Wis., business customers have expressed interest in short-term loans and additional lines of credit.

The seven-branch bank decided this month to offer three-month payment deferrals on all loans. It is reaching out to customers, encouraging them to communicate any



Mike Estes, president of Fisher National Bank, worries about the fate of small firms in Fisher, Ill.

problems.

"We are ready, willing and able to help borrowers or businesses," said Chief Executive Daniel Peterson.

Stephenson lists on its website the trials it has weathered since its 1874 founding: wars, panics and the Great Depression. Management plans to add the current crisis to the list.

Community banks, often categorized as those with less than \$10 billion in assets, were already challenged before the coronavirus pandemic. They increasingly have to compete with big banks that are attracting young customers more interested in flashy apps than a friendly branch.

Low interest rates, which curb what banks can charge on loans, hurt small banks in particular because they don't have big trading or advisory

arms to make up for lost lending revenue. The Federal Reserve this month cut interest rates to near zero.

The number of community banks has been declining for decades. Their ranks fell to 4,750 in 2019 from 4,980 a year earlier, according to the Federal Deposit Insurance Corp. Community banks controlled about 13% of U.S. deposits at the end of 2019, down from about 17% a decade ago, according to a Moody's Investors Service analysis of FDIC data.

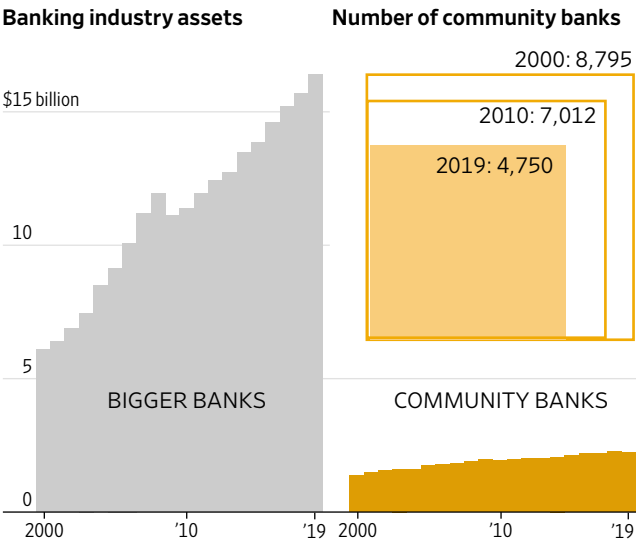
A declining economy will likely lower demand for loans. And as small companies struggle to make payroll or purchase supplies, banks will have to write off some of their debts. If the downturn drags on, some businesses may never reopen, forcing lenders to swallow a loss.

"The impact here is more widespread than what you saw in 2008," said Rose Oswald Poels, CEO of the Wisconsin Bankers Association.

Banks have more capital on hand than they did before the 2008 financial crisis, which will allow them to better absorb loans gone bad. And U.S. regulators have moved to make it easier for banks to help borrowers as coronavirus spreads. Regulators said recently that if banks modify loans for borrowers hurt by coronavirus, they don't necessarily have to report them as "troubled debt restructurings," a designation that carries higher capital charges for lenders. Bankers said this change gives them more flexibility to work out repayment plans with borrowers.

Local bankers are also counting on government help

U.S. community banks, dwindling in number, lag behind larger institutions in asset growth.



Source: Federal Deposit Insurance Corp.

for cash-strapped businesses. The stimulus package signed by President Trump last week allows small businesses to apply through qualifying banks for Small Business Administration loans—but the loans can be forgiven when they are spent on payroll, rent or some other items.

The relief package also loosens the rules around community banks' leverage ratios, which bankers say will let them free up resources during the pandemic.

But that looser regulation also "increases the fragility of the community bank sector and makes it less likely that it can withstand another economic shock," said Jeremy Kress, an assistant professor of business law at the University of Michigan who researches financial regulation. Some smaller banks, he said,

"will have a difficult time surviving this crisis."

In Fisher, Mr. Estes said his bank has heard from a handful of business customers who might need help in the coming months. The bank's executive officers are videoconferencing almost daily to weigh different workarounds: increasing credit lines, lengthening loan terms or letting customers make interest-only payments. For now, though, Mr. Estes says it is premature to begin restructuring loans.

Fisher National also plans to reinstate a program that usually runs around Christmastime where people are allowed to skip a payment—on their car, for example—and add it to the end of the loan term.

"I've seen a lot before," Mr. Estes said. "Nobody's seen anything quite like this."

Rapid Tests for Virus Get Green Light

By Brianna Abbott and Micah Maidenber

Companies focused on health products and life sciences are rolling out tests that can quickly detect the new coronavirus outside of laboratory settings, as officials and labs around the country race to scale up testing.

Starting this week, Abbott Laboratories plans to make a rapid test available for use in physicians' offices, urgent-care clinics and other settings through an Abbott device. The test can detect the virus in a patient sample in as little as five minutes and return negative results in 13 minutes.

On Friday, the company said the U.S. Food and Drug Administration provided emergency authorization to Abbott for the test. The company received FDA emergency authorization for its own laboratory test earlier in the month.

Most of the diagnostic tests approved by the FDA so far for Covid-19, the illness caused by the coronavirus, are conducted in clinical laboratory settings, sometimes resulting in days-



Abbott's test can detect the new coronavirus in five minutes.

long delays if the sample needs to be shipped to another location. A new wave of point-of-care tests at physicians' offices and urgent-care clinics could potentially cut down that wait time and increase capacity, experts say.

Since January, the FDA has granted 20 emergency authorizations related to the new coronavirus and worked with about 230 test developers who have or are expected to seek that approval, the agency said Monday.

Testing for the new corona-

virus has gotten off to a slow start, hampering the country's overall response, and many U.S. labs are still grappling to acquire supplies and set up testing sites. Public-health officials need to test for the virus in order to track and isolate patients and combat its spread, and health-care workers need to know who is infected in order to take the proper precautions and provide the right care.

While testing has greatly expanded in the past several weeks and continues to ramp up across the country, the ability for Americans to get tested remains highly uneven.

There are about 160,000 confirmed cases of the coronavirus in the U.S., according to the latest data available from Johns Hopkins University. Trump administration officials have said patients who are hospitalized or in an intensive-care unit are the main priorities for testing.

Criteria for who can actually get tested in the U.S. have largely been limited to severely ill patients and those in high-risk groups, as hospitals, medical centers and governments often have to ration who receives a test due to the limited supplies.

Closely held Mesa Biotech Inc. said last Tuesday that it received emergency FDA approval for a coronavirus test that generates diagnostic results through one of its devices in 30 minutes.

Henry Schein Inc., a distributor, said Thursday it would start offering a blood test for Covid-19 that delivers results within 15 minutes from a pinprick.

J&J Steps Up Trials For Covid-19 Vaccine

By Matt Grossman

Johnson & Johnson said Monday that it had made progress on a vaccine to prevent Covid-19, the pneumonia-like disease caused by the coronavirus, and that the product could be ready in early 2021.

The New Brunswick, N.J., company selected a lead candidate for the vaccine from the constructs it had been working on, and it said human trials would begin by September at the latest.

Johnson & Johnson had said in February it expected trials for the vaccine to begin in eight to 12 months.

The company said it could get approval under an emergency-use authorization to make the vaccine widely available early next year. The company said it has also chosen two backup constructs in case the lead candidate falters.

The company said the vaccine, if successful, would be affordable and would be sold on a not-for-profit basis.

Johnson & Johnson is one of many companies at work on a vaccine for the disease, which has become a global health crisis.

Moderna Inc. has begun human trials for a vaccine using a novel approach that relies on the virus's messenger RNA, a type of genetic material. Sanofi, a French biotech company, has begun work on a similar approach. The first stage of the research into a vaccine will involve examining whether the experimental vaccine induces an immune response in the patients and whether it is safe.

Johnson & Johnson said it would try to scale its global manufacturing capabilities to make more than 1 billion doses of a Covid-19 vaccine by the end of next year. The company said it is also working with the Biomedical Advanced Research and Development Authority, a part of the Department of Health and Human Services, to expand its research into a treatment for Covid-19.

TECHNOLOGY

WSJ.com/Tech

Foxconn Profit Fell Before Crisis

Quarterly decline of 24% at Apple supplier preceded pandemic that hit China plants

By Yoko Kubota

BELJING—Foxconn Technology Group's net profit fell 24% in the fourth quarter before the coronavirus pandemic struck the world's biggest contract electronics assembler and its largest customer, **Apple Inc.**

Taiwan-based Foxconn's net profit for the fourth quarter, which ended in December, was 47.8 billion New Taiwan dollars (US\$1.58 billion), according to a calculation by The Wall Street Journal, based on full-year figures released by the company on Monday. That was slightly higher than the NT\$46.3 billion average estimate of analysts polled by S&P Global Market Intelligence. The company reported a net profit of NT\$62.6 billion in the year-earlier period. Foxconn didn't give a reason for the decline.

Its revenue for the quarter fell 3.8% to NT\$1.74 trillion.

Foxconn, known formally as Hon Hai Precision Industry Co., is best known for assembling Apple's iPhones, among



The contract assembler of iPhones didn't give a reason for its earnings decline. A Foxconn factory in Guiyang, China.

other products, mostly in China. It relies on Apple for about half of its revenue, according to analyst estimates.

Apple's revenue rose 9% in the December quarter to US\$91.8 billion, driven by blossoming sales of devices and services connected to the iPhone. Sales of iPhones, which account for more than half of

its revenue, rose 8% to nearly US\$56 billion.

Apple has been hurt on a number of fronts by the coronavirus pandemic. In China, where the health crisis began, Foxconn and other suppliers closed factories, which eroded iPhone supplies. Apple also had to shut down its stores there. As the epidemic

reached Europe and the U.S., Apple shut stores and halted nearly all activity at its Silicon Valley campus.

Earlier this month, Foxconn's chairman said he expected production levels at its factories in mainland China to return to normal seasonal levels in March if the coronavirus crisis didn't get worse.

About 810,000 Foxconn employees in China, or nearly 94% of the company's workers in the country, have returned to its 27 major plants, Xu Kemin, an official with China's Ministry of Industry and Information Technology, said at a news conference Monday.

—Yang Jie contributed to this article.

Social Media's Fact Checkers Fight Surge in Fake Virus Claims

By Jeff Horwitz

There is no coronavirus vaccine available for dogs being withheld from humans. And baby-formula manufacturers aren't sending freebies to people who call customer hotlines.

These are among the viral social-media memes debunked by Lead Stories, a fact-checking site co-founded by Los Angeles entrepreneur Alan Duke.

At a time when items as diverse as toilet paper and ventilators are scarce, Mr. Duke offers something else in short supply: fact checking.

The former CNN producer's company, Lead Stories, helps Facebook Inc. and other social-media platforms limit the spread of virus misinformation by flagging it as false. Business is booming, thanks to a surge of posts that are both dangerous and harder to track than many other forms of fake news.

The claims that Lead Stories debunks are then labeled as false on Facebook, which limits their spread and links to Lead Stories' reviews. A staffer combs the platform looking to identify and label duplicates that spring up. Already ramping up with funding from Facebook to combat misinformation in the 2020 U.S. presidential election, Mr. Duke and others in the industry have pivoted to coronavirus almost full-time.

"We've maxed out all our goals for the month," he said halfway through March, refer-

ring to the company's contractual targets for Facebook fact-check volumes. Lead Stories continues to review Facebook and Instagram content, and review material from Twitter, YouTube and other platforms that don't pay it, posting fact checks to its own site.

Since its first virus fact check in mid-January, Lead Stories has fact checked more than 200 viral coronavirus claims.

Other fact checkers have become similarly focused, organizing an ad-hoc task force to identify misinformation that has hopped national borders as quickly as the virus itself.

While many virus posts carry international content, they generally appear to be noncommercial, produced by pranksters or people promoting misguided home remedies, Mr. Duke said.

The content is often memes and images rather than purported news stories. And where Lead Stories has become used to complaints from the publishers of stories it rated as false, it now hears from regular users upset that it has debunked a meme they shared.

"Sharing this stuff is how people connect to their friends and co-workers," Mr. Duke said. "It's embarrassing when it shows up in their timeline that they shared something that's wrong. That's not something we've been through before with fact checking—this is much more personal."

As is common with Face-

book's more than 60 global fact-checking partners, Lead Stories was launched with independent funding but has sustained itself in part with Facebook money. The tech giant started the fact-checking program in late 2016 after criticism of how it handled misinformation during the 2016 presidential race.

Human fact checkers remain central to Facebook's defenses, and even before the pandemic the company was increasing its investments. Mr. Duke declined to specify how much money Facebook is paying Lead Stories, except that it was a multiple of the \$359,000 it earned under its 2019 contract.

Until last November, Mr. Duke and his co-founder, Maarten Schenk, who works from his home in Belgium, were the company's sole full-time employees. It was then that Facebook told U.S.-based fact-checking partners that it would bankroll a sharp expansion of their work ahead of the 2020 election.

"Fighting misinformation isn't something one company can do alone," said Campbell Brown, head of news partnerships at Facebook. "The more the industry is sharing best practices and companies are learning from each other, the better the outcomes will be for people."

The funding allowed Lead Stories to increase hiring. It has 10 full-time employees and six part-time fact checkers, mostly



Alan Duke is co-founder of fact-checking firm Lead Stories.

former CNN employees.

Facebook funds about half of the international publishers and fact-checking organizations that are part of a coronavirus-specific fact-checking alliance coordinated by the Poynter Institute's International Fact-Checking Network.

"We were here before Facebook started working with us," said Cristina Tardaguila, the IFCN's associate director, of the fact checkers. "But there is no other program like this."

That might change. In January, video-sharing app TikTok said it would begin reviewing user reports of misinformation with a U.S.-based moderation staff, and that it was working with third-party groups.

Staffers consult public-health guidance and identify entities with expertise or firsthand knowledge about specific rumors. Lead Stories' traffic is up nearly 10-fold, Mr. Duke said, with about 8,000 users reading its reviews at any given time.

Protests at Amazon, Instacart

Continued from page B1

introduced a feature that sets a default suggested tip based on a customer's most recent order.

Ms. Polito, who lives in Newark, N.Y. and runs a clothing business, said working for Instacart has become more grueling in recent weeks, as average orders have roughly doubled in size to some 30 items. She said she often fills three orders at a time. She also said she feels work is becoming

more risky, as confirmed cases of the virus multiply.

"Every time I go into a store, my stomach turns into a knot," she said.

Tia Schellstede, a television editor who lives in Brooklyn, N.Y., placed her first Instacart order last week and canceled it on Monday, after reading about the workers' strike on social media.

"I don't want to go to the grocery store," Ms. Schellstede said. "If Instacart meets the worker demands, I will place an order immediately."

At Whole Foods, a group representing workers that say they plan to call in sick on Tuesday is asking for paid leave for all workers who must isolate or self-quarantine as a result of the pandemic and



Employees at Amazon's Staten Island, N.Y., fulfillment center protested workplace conditions Monday.

health-care coverage for part-time and seasonal workers.

A Whole Foods spokeswoman said the company has taken measures to keep its workers safe, such as deep-cleaning stores and mandating social distancing between people in its stores.

Amazon said more than 5,000 people work at the 855,000-square-foot Staten Island fulfillment center where workers walked out Monday.

Dania Rajendra, director at Athena, said workers at the Staten Island facility aren't being given adequate cleaning supplies or enough time to wash their hands, and that the company hasn't properly enforced social-distancing measures.

"They are not able to take their public responsibility of social distancing seriously because Amazon won't let them," Ms. Rajendra said.

An Amazon spokeswoman said the company has "taken extreme measures to keep people safe, tripling down on deep cleaning, procuring safety supplies that are available and changing processes to ensure those in our buildings are keeping safe distances." The company said it has also added daily temperature screenings at the warehouse.

The facility is among at least 15 Amazon warehouses throughout the country where at least one worker has tested positive for the virus or been placed in quarantine.

Amazon workers in cities such as Chicago and New York have called on Amazon to close any warehouse where a worker has tested positive and send workers home with full pay.

Amazon said facilities with at least one confirmed case can be closed on a case-by-case basis to be cleaned before reopening.

Since the pandemic began, Amazon has extended unlimited unpaid time off to employees through April and raised hourly pay for workers in the U.S. and Canada by \$2. The company has also said that any employee who shows symptoms or is diagnosed with Covid-19, or who is placed in quarantine, is eligible for up to two weeks of paid time off.

Facebook Gives Hand To News Outlets

By Lukas I. Alpert

Facebook Inc. is pledging \$100 million in grant money and promised ad spending to help struggling news outlets weather the financial blow of the coronavirus pandemic.

News outlets—particularly smaller, local newspapers—face substantial advertising revenue declines as closed or disrupted businesses pull back spending. While readership has jumped and some media companies have enjoyed increases in online subscriptions, the advertising drop is already forcing many outlets to reduce pay or lay off workers.

The tech company said it wanted to help news outlets avoid such cuts. "This is a time when we need this reporting the most," Campbell Brown, Facebook's head of news partnerships, said in an interview. "Advertising money is shrinking fast and even though news consumption is up, it is not making up for those losses, so we are trying to help bridge that gap."

Facebook's offering falls into two categories: \$25 million in emergency grant funding to help smaller news outlets with immediate needs related to coronavirus coverage, and \$75 million in ad spending to help news outlets of all sizes—both in the U.S. and abroad—make up for the expected revenue shortfall.

On Monday, **Gannett Co.**, the largest newspaper chain in

The coronavirus pandemic has news outlets facing declining ad revenue.

the U.S., said it would begin furloughing employees across its 261 papers to relieve financial pressure on the company as a result of the coronavirus pandemic.

"Every business is suffering right now, but the news industry has really been struggling, and we are in a privileged position to be able to help," Ms. Brown said. She said Facebook Chief Executive Mark Zuckerberg "feels that getting accurate news about the virus is vital and that he has a real responsibility here."

The aid from Facebook likely would still leave the industry with an enormous gap in advertising money. Gordon Borrell, an advertising market analyst, estimates that local advertising will drop by 25% this year, amounting to a decline of roughly \$30 billion.

Earlier this month, Facebook announced a separate program to offer \$100 million in cash grants and advertising credits to up to 30,000 eligible small businesses.

News publishers have a tense and complicated relationship with Facebook and Alphabet Inc.'s Google. The tech giants drive a large share of traffic to many news sites, but also compete with them in digital advertising sales. Facebook and Google were expected to earn 61% of all digital ad revenue in the U.S. this year, according to estimates from eMarketer before the crisis.

Many news outlets have argued that the tech platforms should pay licensing fees. Late last year, Facebook agreed to begin paying some publishers whose headlines appear in Facebook's news tab, which launched to a test audience in October. The Wall Street Journal is among the publications Facebook is paying to license news. Google has been in early talks with publishers to pay for the use of their content, people familiar with the matter have said.

Last week, Facebook warned that while it has seen substantial boosts in user engagement during the crisis, it will be hit by declines in digital ad spending.

Facebook's grant funding will be an extension of a \$1 million pilot program the company launched earlier in March as the outbreak began picking up steam in the U.S. The company says it received more than a thousand applications within days.

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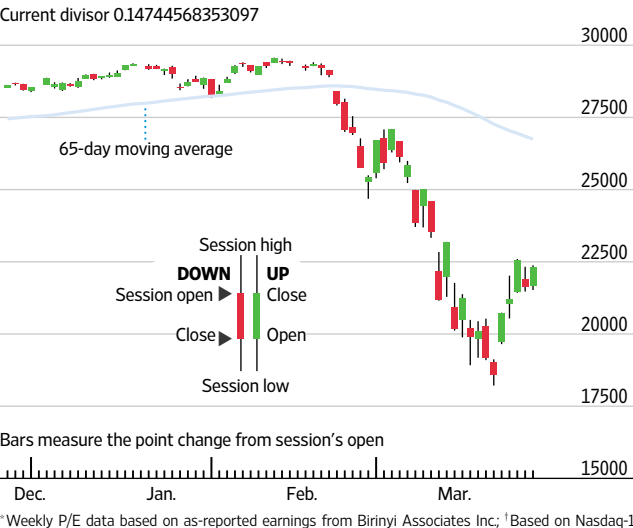
MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

22327.48 ▲690.70, or 3.19%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio	17.37	18.17
P/E estimate *	15.12	15.89
Dividend yield	2.92	2.22
All-time high	29551.42, 02/12/20	

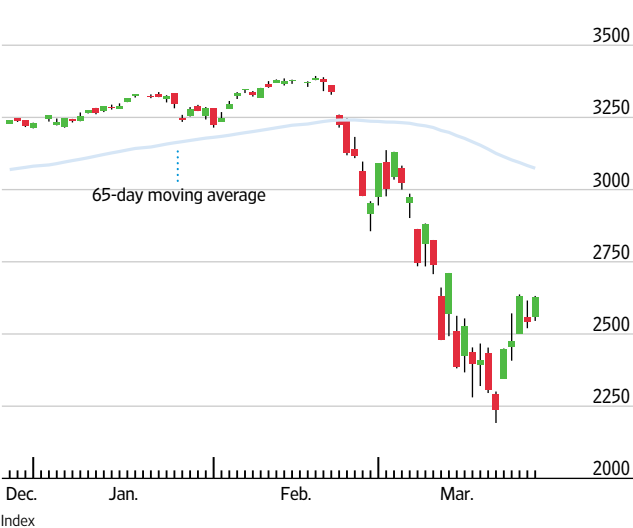


*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

S&P 500 Index

2626.65 ▲85.18, or 3.35%
High, low, open and close for each trading day of the past three months.

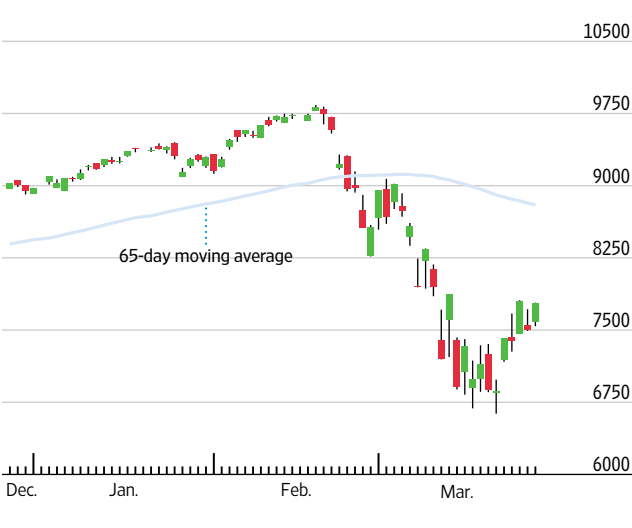
Trailing P/E ratio *	20.11	21.24
P/E estimate *	15.82	17.03
Dividend yield *	2.41	1.96
All-time high	3386.15, 02/19/20	



Nasdaq Composite Index

7774.15 ▲271.77, or 3.62%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio **	23.25	24.63
P/E estimate **	19.75	21.63
Dividend yield **	1.15	1.06
All-time high	9817.18, 02/19/20	



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	Low	% chg	YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	22378.09	21522.08	22327.48	690.70	3.19	29551.42	18591.93	-15.0	-21.8	2.5
Transportation Avg	7857.27	7561.47	7790.91	91.73	1.19	11304.97	6703.63	-26.8	-28.5	-5.2
Utility Average	789.58	763.01	785.14	26.21	3.45	960.89	610.89	1.4	-10.7	4.1
Total Stock Market	26431.57	25563.86	26386.76	801.29	3.13	34631.28	22462.76	-10.7	-20.1	2.4
Barron's 400	539.66	520.78	538.95	13.57	2.58	746.64	455.11	-22.8	-26.4	-5.0

Nasdaq Stock Market										
Nasdaq Composite	7784.35	7539.97	7774.15	271.77	3.62	9817.18	6860.67	-0.7	-13.4	9.5
Nasdaq 100	7902.09	7651.43	7889.01	300.64	3.96	9718.73	6978.02	5.5	-9.7	13.2

S&P										
500 Index	2631.80	2545.28	2626.65	85.18	3.35	3386.15	2237.40	-8.4	-18.7	3.5
MidCap 400	1460.36	1402.83	1459.15	36.23	2.55	2106.12	1218.55	-24.1	-29.3	-5.3
SmallCap 600	686.41	660.64	685.32	15.44	2.30	1041.03	595.67	-27.9	-32.9	-6.6

Other Indexes										
Russell 2000	1158.64	1119.95	1158.32	26.33	2.33	1705.22	991.16	-25.6	-30.6	-5.7
NYSE Composite	10455.77	10131.60	10434.74	247.53	2.43	14183.20	8777.38	-18.7	-25.0	-3.2
Value Line	356.67	345.97	356.28	4.41	1.25	562.05	305.71	-34.0	-35.5	-11.8
NYSE Arca Biotech	4494.91	4360.41	4492.43	152.50	3.51	5313.05	3855.67	-12.5	-11.3	8.1
NYSE Arca Pharma	581.09	565.63	579.60	28.90	5.25	670.32	494.36	-3.8	-11.3	4.3
KBW Bank	68.22	65.39	67.88	0.27	0.39	114.12	56.19	-29.5	-40.1	-10.0
PHLX ^S Gold/Silver	85.12	78.32	80.39	-1.42	-1.73	111.51	66.14	7.1	-24.8	-1.2
PHLX ^S Oil Service	24.65	23.69	24.23	-0.59	-2.37	102.39	21.47	-75.2	-69.0	-47.6
PHLX ^S Semiconductor	1547.08	1496.04	1545.31	56.56	3.80	1979.50	1286.84	8.0	-16.5	15.2
Cboe Volatility	67.69	56.60	57.08	-8.46	-12.91	82.69	11.54	326.0	314.2	70.4

^SNasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6:30 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After-Hours % chg	High	Low
SPDR S&P 500	SPY	24,867.0	261.84	0.19	0.07	262.26	260.87
Amarin ADR	AMRN	19,384.7	4.48	-9.10	-67.01	13.75	3.92
iShares MSCI Brazil ETF	EWZ	8,166.0	24.00	...		24.12	23.99
Utilities Sel Sector SPDR	XLU	7,876.1	57.74	...		58.34	57.74
Aramark	ARMK	7,180.9	21.08	-0.01	-0.05	21.09	20.99
iQIYI ADR	IQ	5,605.2	18.66			18.75	18.50
Sirius XM Holdings	SIRI	4,793.0	4.79	-0.02	-0.42	4.84	4.77
ING Groep ADR	ING	4,541.0	5.50	0.03	0.55	5.51	5.47

Percentage gainers...

Owens Minor	OMI	377.2	9.05	0.66	7.87	9.25	8.31
Kronos Worldwide	KRO	130.4	9.25	0.66	7.68	9.25	8.59
Werner Enterprises	WERN	99.9	38.00	1.61	4.42	38.00	36.39
World Wrestling	WWE	69.6	34.80	1.36	4.07	35.11	33.01
TerraForm Power	TERP	142.0	16.00	0.58	3.76	16.00	15.42

...And losers

Amarin ADR	AMRN	19,384.7	4.48	-9.10	-67.01	13.75	3.92
RH	RH	517.5	105.50	-12.50	-10.59	119.40	102.10
iShares Russell 1000 Gwth	IWF	1,252.8	141.70	-11.11	-7.27	152.75	141.70
iSh Core S&P Small-Cap	IJR	191.2	52.78	-3.47	-6.17	56.51	52.78
Alpha Pro Tech	APT	81.8	12.60	-0.72	-5.41	13.40	12.50

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	1,242,713,116	23,171,688
Adv. volume*	682,746,766	11,667,380
Decl. volume*	554,661,090	11,331,793
Issues traded	3,036	269
Advances	1,801	127
Declines	1,198	131
Unchanged	37	11
New highs	5	1
New lows	59	4
Closing Arms ¹	1.36	0.73
Block trades ¹	5,710	164

	Nasdaq	NYSE Arca
Total volume*	3,812,889,845	463,557,956
Adv. volume*	2,587,095,422	281,039,839
Decl. volume*	1,210,291,417	180,920,180
Issues traded	3,341	1,542
Advances	2,407	1,175
Declines	1,220	362
Unchanged	74	5
New highs	15	2
New lows	41	17
Closing Arms ¹	0.78	2.13
Block trades ¹	23,091	2,326

*Primary market NYSE, NYSE American, NYSE Arca only.
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World					
	The Global Dow	2473.22	33.74	1.38	-23.9
	DJ Global Index	338.81	5.98	1.80	-21.9
	DJ Global ex U.S.	198.69	0.33	0.17	-24.6
Americas					
	DJ Americas	602.89	18.02	3.08	-20.8
Brazil	Sao Paulo Bovespa	74639.48	1210.70	1.65	-35.5
Canada	S&P/TSX Comp	13038.50	350.76	2.76	-23.6
Mexico	S&P/BMV IPC	34199.97	400.48	1.18	-21.5
Chile	Santiago IPSA	2343.21	62.11	2.72	-29.8
EMEA					
	Stoxx Europe 600	314.88	3.98	1.28	-24.3
Eurozone	Euro Stoxx	299.48	2.46	0.83	-25.9
Belgium	Bel-20	2826.94	-35.85	-1.25	-7.0
Denmark	OMX Copenhagen 20	1055.97	36.37	3.57	-28.5
France	CAC 40	4378.51	27.02	0.62	-26.8
Germany	DAX	9815.97	183.45	1.90	-25.9
Israel	Tel Aviv	1296.64	28.79	2.27	-23.0
Italy	FTSE MIB	16872.41	49.82	0.30	-28.2
Netherlands	AEX	475.98	11.06	2.38	-21.3
Russia	RTS Index	958.54	3.20	0.33	-38.1
South Africa	FTSE/JSE All-Share	43413.63	466.80	1.09	-23.9
Spain	IBEX 35	6659.90	-118.00	-1.74	-30.3
Sweden	OMX Stockholm	540.78	10.83	2.04	-20.6
Switzerland	Swiss Market	9174.39	178.02	1.98	-13.6
Turkey	BIST 100	88059.46	-65.57	-0.07	-23.0
U.K.	FTSE 100	5563.74	53.41	0.97	-26.2
U.K.	FTSE 250	14624.63	-145.17	-0.98	-33.2
Asia-Pacific					
Australia	S&P/ASX 200	5181.40	338.97	7.00	-22.5
China	Shanghai Composite	2747.21	-24.99	-0.90	-9.9
Hong Kong	Hang Seng	23175.11	-309.17	-1.32	-17.8
India	S&P BSE Sensex	28440.32	-1375.27	-4.61	-31.1
Japan	Nikkei Stock Avg	19084.97	-304.46	-1.57	-19.3
Singapore	Straits Times	2416.24	-112.52	-4.45	-25.0
South Korea	Kospi	1717.12	-0.61	-0.04	-21.9
Taiwan	TAIEX	9629.43	-69.49	-0.72	-19.7
Thailand	SET	1087.82	-11.94	-1.09	-31.1

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	High	Low	% chg
Otis Worldwide	OTIS.WI	50.00	17.41	53.41	50.00	38.00	...
Owens Minor	OMI	8.39	2.88	52.27	8.94	2.43	101.7
Pluristem Therapeutics	PSTI	4.14	1.13	37.54	9.72	2.82	-57.2
AIM ImmunoTech	AIM	2.66	0.62	30.39	14.81	0.38	-62.9
Axcella Health	AXLA	3.40	0.79	30.27	15.99	2.25	...
Kraton	KRA	8.65	1.99	29.88	38.58	4.45	-74.1
Frank's International	FI	2.90	0.66	29.46	6.72	1.66	-53.6
Carrier Global	CARR.WI	15.90	3.49	28.09	16.50	11.50	...
Cars.com	CARS	4.67	0.97	26.22	23.61	3.52	-79.7
Marlin Business Services	MRLN	11.62	2.39	25.89	25.44	4.66	-46.1
Passage Bio	PASG	15.72	3.19	25.46	23.25	8.09	...
EdtechX Hldgs Acquisition	EDTX	21.06	4.06	23.88	24.66	9.86	109.6
BioCardia	BCDA	3.40	0.64	23.19	17.50	2.10	-72.0
Immunovant	IMVT	16.55	3.11	23.14	18.69	8.34	...
Intl General Insurance	IGIC	8.28	1.53	22.67	11.52	6.29	-17.9

Most Active Stocks

Company	Symbol	Volume (000)	%chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
TOP Ships	TOPS	323,795	3578.6	0.54	130.23	16.80	0.08
SPDR S&P 500	SPY	170,971	19.9	261.65	3.25	339.08	218.26
Velocity 3x Lg Crude ETN	UWT	153,142	155.4	0.17	-8.50	24.32	0.16
ToughBuilt Industries	TBLT	105,452	641.7	0.18	20.00	1.70	0.09
Ford Motor	F	96,983	22.2	5.03	-3.08	10.56	3.96
General Electric	GE	86,698	8.3	7.89	3.54	13.26	5.90
ProSh UltraPro Shrt QQQ	SOQQ	86,547	87.5	19.04	-10.82	48.08	15.89
PS Ult Bloomberg Crude	UCHO	86,136	683.8	1.59	-11.67	26.20	1.43
Chesapeake Energy	CHK	82,431	-13.6	0.17	-2.00	3.57	0.12
Bank of America	BAC	80,396	7.8	22.04	2.04	35.72	17.99

COMMODITIES

WSJ.com/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract				Open
	Open	High	Low	Settle	interest
Copper-High (CMX) -25,000 lbs.; \$ per lb.					
April	2.1625	2.1720	2.1585	2.1620	-0.0125 3,033
May	2.1465	2.1750	2.1355	2.1555	-0.0165 87,742
Gold (CMX) -100 troy oz.; \$ per troy oz.					
April	1641.20	1652.80	1609.70	1622.00	-3.00 32,752
June	1663.40	1673.60	1632.00	1643.20	-10.90 367,612
Aug	1663.10	1674.00	1632.30	1643.50	-11.10 53,639
Oct	1666.50	1667.30	1633.20	1644.10	-10.80 12,354
Dec	1665.70	1672.50	1634.60	1644.10	-10.90 39,097
Feb'21	1645.40	1649.00	1635.50	1645.20	-11.20 9,183
Palladium (NYM) -50 troy oz.; \$ per troy oz.					
April	...	...	...	2226.10	0.80 4
June	2140.00	2224.00	2105.30	2197.60	0.80 6,787
Sept	2138.10	2179.00	2096.40	2182.50	-2.00 585
Platinum (NYM) -50 troy oz.; \$ per troy oz.					
April	739.10	742.20	709.70	723.90	-16.40 1,327
July	736.00	745.10	710.90	723.80	-17.80 49,621
Silver (CMX) -5,000 troy oz.; \$ per troy oz.					
April	14.100	14.250	13.900	14.074	-0.402 900
May	14.700	14.710	13.945	14.132	-0.402 83,958
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.					
May	20.93	20.93	▼ 19.27	20.09	-1.42 579,954
June	24.68	25.01	23.31	24.09	-1.06 271,529
July	28.06	28.47	26.50	27.40	-0.73 179,668
Aug	30.13	30.13	28.60	29.56	-0.49 96,000
Sept	30.95	31.51	29.96	31.00	-0.30 126,003
Dec	33.10	34.12	32.56	33.58	0.13 223,747
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.					
April	1.0505	1.0565	.9884	1.0194	-.0491 10,194
May	1.0494	1.0570	.9857	1.0153	-.0532 92,353
Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.					
April	.5451	.5951	.4894	.5855	.0118 8,983
May	.5990	.6237	.5327	.6168	.0032 110,972
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.					
May	1.630	1.708	1.613	1.690	.019 347,885
June	1.737	1.810	1.714	1.794	.019 95,309
July	1.870	1.944	1.846	1.931	.024 118,757
Sept	1.952	2.025	1.930	2.014	.033 96,963
Oct	2.022	2.092	1.999	2.082	.035 105,154
Jan'21	2.689	2.734	2.667	2.733	.037 66,667

Agriculture Futures

Corn (CBT) -5,000 bu.; cents per bu.					
May	343.00	346.75	340.00	341.25	-4.75 456,635
July	348.50	352.25	346.00	347.50	-4.25 376,249
Oats (CBT) -5,000 bu.; cents per bu.					
May	265.75	269.50	261.25	261.50	-4.00 2,440
July	267.25	268.50	261.25	263.75	.25 861
Soybeans (CBT) -5,000 bu.; cents per bu.					
May	880.00	892.50	876.75	882.25	.75 253,229
July	884.00	896.50	881.00	886.50	1.25 178,453
Soybean Meal (CBT) -100 tons; \$ per ton					
May	323.20	328.90	322.20	325.50	2.40 133,629
July	320.10	323.90	318.00	320.90	1.20 95,986
Soybean Oil (CBT) -60,000 lbs.; cents per lb.					
May	26.83	27.38	26.62	26.87	.02 148,592
July	27.15	27.74	26.98	27.23	.01 108,093
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.					
May	1399.50	1417.00	1396.50	1409.50	12.50 7,531
July	1396.00	1410.00	▼ 1391.00	1408.00	16.50 1,227
Wheat (CBT) -5,000 bu.; cents per bu.					
May	572.25	580.75	562.75	569.50	-1.75 139,019
July	558.25	565.00	552.00	558.25	1.00 98,114

Cash Prices | WSJ.com/commodities

Monday, March 30, 2020

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Monday		Monday		Monday	
Energy		Metals		Food	
Coal,C Aplc,12500Btu,1.2502-r,w	53.550	Palladium,Engelhard industrial	2252.0	Wheat,No.2 soft red,St.Louis-bp,u	5.9400
Coal,PwdRvrBsn,8800Btu,0.8502-r,w	11.600	Palladium,Engelhard fabricated	n.a.	Wheat -Hard - KC (USDA) \$ per bu-u	4.9175
		Aluminum, LME, \$ per metric ton	*1506.0	Wheat,No.1soft white,Portld,OR-u	6.0750
		Copper,Cornex spot	2.1620		
		Iron Ore, 62% Fe CFR China-s	82.6	Food	
		Shredded Scrap, US Midwest-s,m	280	Beef,carcass equiv. index	
		Steel, HRC USA, FOB Midwest Mill-s	528	choice 1-3,600-900 lbs.-u	210.49
				select 1-3,600-900 lbs.-u	197.62
				Broilers, National comp wtd. avg.-u,w	0.8368
				Butter, AA Chicago	1.3975
				Cheddar cheese,bbl,Chicago	130.00
				Cheddar cheese,blk,Chicago	143.75
				Milk,Nonfat dry,Chicago lb.	89.50
				Coffee,Brazilian,Comp	1.1305
				Coffee,Colombian, NY	1.6165
				Eggs,large white,Chicago-u	2.9250
				Flour,hard winter KC	15.55
				Hams,17-20 lbs,Mid-US fob-u	0.42
				Hogs,Iowa-S. Minnesota-u	64.67
				Pork bellies,12-14 lb MidUS-u	n.a.
				Pork loins,13-19 lb MidUS-u	1.3528
				Steers,Tex.-Okla. Choice-u	n.a.
				Steers,feeder,Okla. City-u,w	142.38
				Fats and Oils	
				Corn oil,crude wet/dry mtll wtd. avg.-u,w	38.7500
				Grease,choice white,Chicago-h	0.2300
				Lard,Chicago-u	n.a.
				Soybean oil,crude,Cent'l IL-u	0.2670
				Tallow,bleach,Chicago-h	0.2950
				Tallow,edible,Chicago-u	n.a.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra,Tordella & Brooks; G=ICE; H=American Commodities Brokerage Co; M=monthly; N=nominal; n.a.=not quoted or not available; R=SME Energy; S=Platts-TS; T=Cotlook Limited; U=USDA; W=weekly, Z=not quoted. *Data as of 3/27 Source: WSJ Market Data Group

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

March 30, 2020

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation			
Feb.index	Chg From (%)		
level	Jan. 20	Feb. 19	
U.S. consumer price index			
All items	258.678	0.27	2.3
Core	267.268	0.48	2.4
International rates			
	Latest	Week ago	-52-Week-High Low
Switzerland	0.50	0.50	0.50 0.50
Britain	0.10	0.10	0.75 0.10
Australia	0.25	0.25	1.50 0.25
Overnight repurchase			
U.S.	-0.02	0.05	3.40 -0.02
U.S. government rates			
Discount	0.25	0.25	3.00 0.25
Federal funds			
Effective rate	0.1400	0.2600	2.4800 0.1400
High	0.3500	0.5000	3.0000 0.3500
Low	0.0500	0.0500	2.4400 0.0500
Bid	0.0500	0.0500	2.4400 0.0500
Offer			
	0.0800	0.2500	2.5000 0.0800
Treasury bill auction			
4 weeks	0.000	0.030	2.400 0.000
13 weeks	0.085	0.000	2.400 0.000
26 weeks	0.100	0.080	2.400 0.080
Secondary market			
Fannie Mae			
30-year mortgage yields			
30 days	2.281	2.598	3.857 2.281
60 days	2.341	2.656	3.884 2.341
Other short-term rates			
	Latest	Week ago	-52-Week-High Low

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Susan Cosgrove, DTCC
Steven K. Young, Duke Energy
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Denise Dettingmeijer, Randstad North America
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Martina Moran, Storyful
Brian Wenzel, Synchrony Financial
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THE WALL STREET JOURNAL.

MARKETS

Gasoline Is Cheap, but Few Are Buying

As millions stay off the road, refineries cut back and producers' margins shrink

BY REBECCA ELLIOTT
AND RUSSELL GOLD

Gasoline cost only \$1.31 a gallon Sunday at Bill Douglass's convenience stores north of Dallas, the lowest price he can recall in more than two decades. Yet sales were down roughly 50% in some stores.

"It's dropped so much that I'm bewildered," Mr. Douglass, founder of fuel company Douglass Distributing Co., said of retail prices. "We're under siege."

Lower prices at the pump typically encourage people to log more miles. Not this time. Fuel demand is plummeting as millions hunker down to stem the spread of the new coronavirus.

In the U.S., gasoline has actually been worth less than crude in recent days, even with U.S. benchmark oil fetching around \$22 a barrel. The pressure on profits increases the likelihood that refineries will need to shutter in coming weeks to bal-

ance supply and demand.

"We're nearing kind of minimum crude rates in many of our refineries today," Robert Herman, head of refining at Phillips 66, told investors last week.

Phillips 66, the largest U.S. refiner by market capitalization, said it would slash this year's capital spending by \$700 million, to \$3.1 billion, after it saw domestic demand for gasoline fall about 20% in just a week, and as much as 30% in some regions.

That drop is likely only the beginning. Analytics firm IHS Markit says daily gasoline demand in the U.S. could be less than half of normal levels over the next four to six weeks, as people isolate themselves.

Pre-virus, Phillips 66 and other fuel makers were the stock stars of the American oil patch. An index composed of five of the largest independent U.S. refiners increased about 56% in the five years ended in 2019, roughly tracking the S&P 500 index, S&P Global Market Intelligence data show. But that refining index has plunged as the coronavirus has taken hold in the U.S., declining by about 56% in 2020 as of Friday, compared with a slide of about 21%

in the S&P 500.

Meanwhile, margins for producing gasoline have eroded. On the Gulf Coast, the fuel sold for as little as about \$16 a barrel last week, more than \$4 below the U.S. benchmark oil price at the time, S&P Global Platts data show. That means a barrel of crude cost more than the processed product fetched.

While margins for diesel have held up better thanks to trucking and other commercial activity, those for jet fuel have shrunk as airlines have grounded planes.

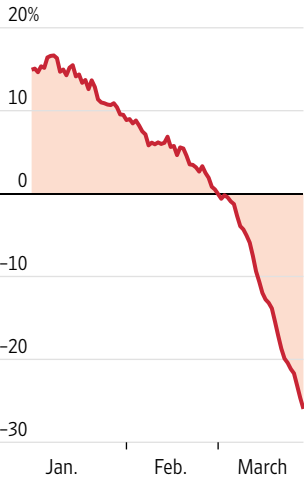
Should those dynamics persist, some expect refineries to delay resuming operations after periods of maintenance or even power down in the coming weeks.

"There's not a lot you can do if nobody wants your products," said Amy Kalt, a consultant for Baker & O'Brien Inc., an energy consulting firm. She said the duration of the shutdowns would depend on how long people continue to isolate themselves and how much of a gasoline inventory builds up during that time.

American drivers already were using less gasoline pre-coronavirus due in large part to

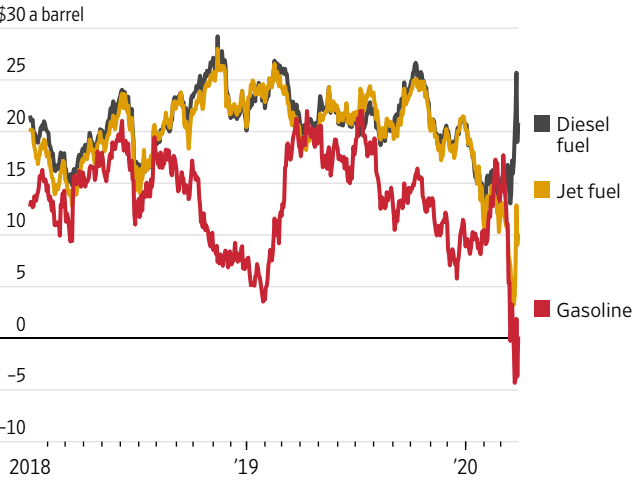
Gasoline prices have cratered, as have margins, as more people self-isolate to prevent further spread of the coronavirus.

Change from previous year in the average daily price of gasoline in the U.S.



Note: Data are through March 27
Sources: GasBuddy (prices); S&P Global Platts (margins)

Profit margin by fuel type per barrel of WTI crude oil



more efficient vehicles, and some industry executives have said fuel-making wouldn't be an area of growth.

U.S. gasoline demand fell about 0.6% last year even as drivers logged more miles, federal data show.

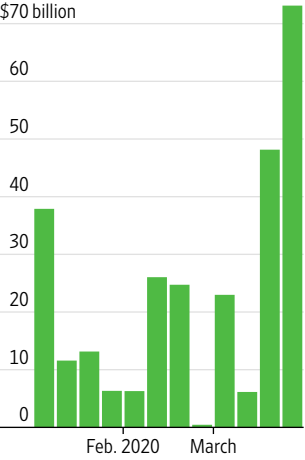
The domestic response to

the coronavirus is still in its early days, but some think gasoline consumption may never fully rebound.

"I think we will have a permanent and long-term reduction in travel patterns," said Ramin Shabanpour, an assistant professor of engineering at

the University of Illinois at Chicago who has written on telecommuting and its impact on transportation. "We are learning right now how we can do our daily activities—running our work meetings, attending our classes—online instead of spending our time traveling."

Issuance of investment-grade U.S. corporate bonds, weekly



Note: Data as of Friday
Source: Dealogic

Corporate Debt Gains Appeal

Continued from page B1

was about 3.7% on Friday, down from its recent peak of 4.58% on March 20, but still well above its level of 2.43% at the end of February, according to data from FactSet. The index

CREDIT MARKETS

dex declined about 8.5% in March through Friday, a relatively steep decline compared with a 15% fall in the much riskier stocks of the S&P 500.

Foreign fund managers are also stepping into U.S. corporate bonds because their hedging cost in dollars has declined even as investment-grade bond yields have jumped. Bonds issued by banks were among the biggest gainers Monday, with Wells Fargo & Co.'s bond due 2051 jumping about 4.2 cents on the dollar to 121.65, according to data from MarketAxess.

U.S. government bond yields fell Monday despite gains in stocks, showing that investors remain concerned about the virus's long-term economic impact. The 10-year Treasury yield declined to 0.667% from 0.744% Friday, according to data from Tradeweb.

The U.S. dollar rose slightly, in contrast to the U.K. pound and South African rand, after both countries were hit by sovereign credit-rating downgrades.

The WSJ Dollar index, which measures the U.S. currency against a basket of 16 foreign currencies, was up 0.48% to 93.62 Monday, stabilizing after suffering a roughly 4% loss in the previous four trading days.

AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	\$130,649,225,500	\$116,151,619,300
Accepted bids	\$53,170,745,500	\$43,787,779,300
* noncomp	\$523,317,800	\$393,654,100
* foreign noncomp	\$1,000,000,000	\$927,000,000
Auction price (rate)	99.978514	99.949444
	(0.085%)	(0.100%)
	(0.086%)	(0.101%)
Bids at clearing yield accepted	40.72%	28.12%
	912796083	912796217

Both issues are dated April 2, 2020. The 13-week bills mature on July 2, 2020; the 26-week bills mature on Oct. 1, 2020.

China's Secrecy Hides Risk to Nations in Its Debt

BY BRIAN SPEGELE
AND ANNA ISAAC

A hidden pile of debt threatens dozens of emerging-market countries as the global economy stalls and commodity prices tumble.

An estimated \$200 billion of emerging-market debt owed to China has gone unreported in official statistics in recent years. The money is upending assumptions made by yield-hungry investors who have poured roughly \$2 trillion into risky emerging markets over the last decade.

Even before the market crash, some borrowers were bucking under their debts to China. Pakistan turned to the International Monetary Fund in 2018 for a bailout. Sri Lanka was forced to cede to China control of a strategically located port to shore up state finances.

U.S. and European economists are drawing parallels to the 1980s debt crisis that shattered growth in Latin America. A global recession would magnify the problem, economists and investors say.

Since the start of the year, dollar-denominated government bond prices have fallen by around 50% or more for some resource-rich countries such as Angola and Ecuador that also owe heavy debts to China. An index tracking emerging-market sovereign bond performance has fallen around 16% while more than \$80 billion has flowed out of emerging-markets stocks and bonds since the market turmoil began, according to the Institute of International Finance.

China's rise as a trading and manufacturing power has been extensively studied over the past four decades, but its impact as a financial power is less understood. Exactly how much China has lent is kept under wraps by state-run banks such as China Development Bank and the countries receiving the loans. China's opaque lending can lead investors and organizations to underestimate the risk they are taking when they make loans to these countries or buy their bonds, leading them to lend at rates that might be too low given the potential losses. These include global investors and multilateral lenders such as the World Bank.

Investors "have to be very, very leery of what's going on," said Carmen Reinhart, a Harvard University economist and former IMF official who has studied China's lending practices.

Ms. Reinhart, one of the most influential U.S. economists on financial crises, was part of a team that over the past two years pieced together a data set of Chinese loans. A resulting study by Ms. Reinhart and economists Sebastian Horn and Christoph Trebesch concluded that more than \$200 billion of Chinese overseas loans—around half of all its cross-border lending—was hidden from public view. Around a dozen of the poorest countries owed debts to China equal to 20% or more of their annual GDP, the research estimated.

"The problem gets most acute in crisis situations," said Mr. Trebesch.

Much of the growth can be traced to China's sprawling "Belt and Road" initiative, which seeks to open up new trade routes, expand overseas opportunities for Chinese firms and deepen the country's strategic influence through the financing and building of infrastructure.

Large commodity exporters that seek to sell to China are among the roughly 70 countries

taking part in China's program, many of which took on Chinese debt during the boom in commodities prices, but whose finances are particularly vulnerable to plunging commodity markets today.

"The debt burden from these projects is very quickly going to become unsustainable for many, many, many countries," said Danny Russel, the State Department's top diplomat for East Asia affairs under President Obama. "This is scary stuff."

Nigeria, which is Africa's largest economy and depends

About \$200 billion of emerging-market borrowing has gone unreported.

heavily on oil exports, was one such recipient. Official statistics have presented China as a modest financier for Nigeria in recent years. By the end of 2017, Nigerian government statistics show external debt owed to China was under \$2 billion.

In reality, the total debts Nigeria owed to China were more than double that amount, according to the research. Chi-

nese loans have financed infrastructure such as a light-rail project for the capital city of Abuja. Last year, China committed \$629 million in financing for the country's first deep-sea port. Nigeria's government is trying to borrow an additional \$17 billion from the state-controlled Export-Import Bank of China.

China's lending, most of which is done in dollars, starkly contrasts with that of multinational institutions such as the World Bank. While these groups lend money at below-market rates, China tends to lend at commercial rates, at times securing loans with a country's oil or other natural resources.

Parallels to the 1980s debt crisis in Latin America—which spurred a "lost decade" of growth for Mexico and others—concern economists today. Just like the earlier case, a prolonged commodities boom fueled lending to resource-rich developing nations. Some economists say China's opaqueness in its lending is reminiscent of the syndicated U.S. bank loans that crippled Latin America decades ago.

"The thing about the Chinese lending is it's not transparent," said Kevin Daly, investment manager for emerging-market debt at Aber-

deen Standard Investments Inc. "Countries that do borrow from the Chinese, when you meet with their officials they do offer you a figure, but they don't offer you details of the breakdown or the repayment schedule."

Southeast Asia has proven a particular focus for Belt and Road projects. Malaysian debts owed to China are estimated to have surged from less than a billion dollars when the initiative launched to more than \$12 billion at the end of 2017. In Indonesia, a \$4.5 billion loan agreement with China Development Bank is helping the country to push ahead with its first high-speed rail project.

An economic crisis in Pakistan exemplified the risks. As a showcase of the Belt and Road program, China planned a \$62 billion building spree across Pakistan, with China-backed ports, railways and other infrastructure to boost growth.

But Pakistani officials now say they hadn't properly assessed Pakistan's fiscal outlook when accepting Chinese loans and projects, which required the use of Chinese contractors in exchange for financing. Chinese-financed power plants, for instance, placed onerous financial obligations on the government, and contributed to a debt crunch that forced Pakistan to seek a bailout from the IMF. Islamabad denies that its debt problem is related to China.

China's government has denied engaging in what critics call "debt-trap diplomacy." State-run lenders China Development Bank and the Export-Import Bank of China didn't respond to a request for comment.

China's actions have garnered deeper scrutiny among U.S. officials, with the Trump administration nominating a critic of China's foreign lending practices to lead the World Bank. David Malpass has used the position as the institution's president to continue pushing China for more transparency.

U.S. criticism comes against the backdrop of an intensifying rivalry between the world's two biggest economies, which the coronavirus crisis has inflamed. A specific concern, U.S. officials say, is that China uses indebtedness of weaker neighbors to gain leverage over them and pursue strategic aims.

Stocks Rise As Drug Firms Gain

Continued from page B1

don't yet reflect the level of disruption to business activity taking place in the U.S., said Sophie Huynh, a strategist at Société Générale.

Shares of U.S. air carriers including United Airlines Holdings, Delta Air Lines and American Airlines Group fell Monday as the companies cut flight schedules and looked for

other ways to pare costs, including eliminating jobs and cutting pay.

Among other movers, Abbott Laboratories jumped 6.4% to \$79.34 after the drug-maker said the Food and Drug Administration had approved an emergency-use coronavirus test. Johnson & Johnson rose 8% to \$133.01 after the company said it had made progress

on a vaccine to prevent Covid-19 and that the product could be ready in early 2021.

In Europe, the pancontinental Stoxx Europe 600 index rose 1.3%. At midday Tuesday in Tokyo, the Nikkei 225 Stock

Average was up 0.8%, South Korea's Kospi was up 2% and Hong Kong's Hang Seng Index was up 1.5%.

In another sign of investor caution, the yield on the 10-year U.S. Treasury note, a security that is seen as a haven, fell to 0.667% from 0.744% Friday.

Markets have entered a new phase in their response to the pandemic, said James McCormick, a strategist at NatWest Markets. After governments and central banks took extraordinary steps to backstop livelihoods and the financial system in March, investors are now attempting to assess the economic impact of the worsening pandemic and the effectiveness

with which these stimulus packages are deployed.

"In April, we're settling into understanding a bit more about the growth impact and looking hopefully for some signs of flattening of the infection and mortality curves," Mr. McCormick said.

Investors are awaiting a series of data releases this week that will start to reveal the economic strain exerted by the pandemic and measures to contain the spread of the virus. Surveys of purchasing managers are expected to show a steep decline in manufacturing activity, while jobless claims are likely to rise again after last week's record surge.

Whatever damage may lie

ahead for the economy, the moves by the Federal Reserve and other central banks likely mean the market's bottom is already in, said Thomas Kee, president of market-analysis firm Stock Traders Daily. "The time to play defense is already past," he said. "When you have an unlimited buyer at the other end of the table that doesn't care about risk or valuation, you can't really fight that."

In the currency market, the dollar rose against the euro and British pound but fell against the Japanese yen.

The WSJ Dollar Index, which compares the currency against a basket of 16 others, rose 0.44 point, or 0.5%, to 93.62.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY



Regional companies make up 40% of passenger departures in the U.S. Survival for some depends on direct aid.

Small Airlines in Turmoil

Big carriers will be saved from worst of damage, but regionals face shake-up

Big carriers like **American Airlines** are getting all the attention for the damage Covid-19 is causing airlines. Most of the action, though, may end up happening at the regional level.

Last week, Congress approved the use of \$58 billion to help passenger carriers avoid mass bankruptcies. While airline investors didn't quite get their way in how the aid will be given, they also have grounds for optimism: Because the industry has already consolidated so much over the past decade—creating four airlines that seem to be too big to fail—it is unlikely to be radically reshaped by this crisis.

None of this applies to regional carriers.

These companies, which make up about 40% of passenger departures in the U.S., are mostly contractors flying under the colors of the big airlines. Many are fully owned by them. In normal times they generate steady income, because the majors are the ones taking the risks associated with swings in airfares and fuel prices.

Yet most regional players don't own their aircraft—giving them lit-

tle to sell or to use as collateral in an emergency. The Regional Airline Association, an industry body, has warned that the loan guarantees included in Washington's relief package can't help companies with such little access to financial markets. Everything will depend on how much direct aid they are allocated.

Two carriers owned by holding company **Trans States Holdings**, employing 2,700 employees between them, have already gone under. Florida-based **Silver Airways** risks being next.

The big airlines were already cutting back on regional contracts before the viral outbreak, and could now slash even more low-volume routes. A key to their profitability over the past 10 years has been a focus on fewer hubs. This has meant reorienting regional feeder traffic to carry fewer people for longer distances on larger planes.

But trade unions don't want big carriers to outsource popular routes that they could fly themselves to lower-paying contractors, so they have long imposed "scope clauses" to limit the size of regional carriers' planes. A 2012 renegotiation al-

lowed for more 76-seat aircraft but still severely limited the use of the state-of-the-art A220 and E-Jet E2 planes produced, respectively, by **Airbus** and **Embraer**—now in the process of being acquired by **Boeing**. These carry between 80 and 130 people.

Only a year ago, airlines appeared to have no chance of further loosening the scope clauses. But "the long-touted pilot shortage is now over," said David Nolletti, a director at consulting firm Conway MacKenzie. "Airlines will be able to use that for their renegotiation of the clauses."

After the coronavirus crisis is over, the likely industry consolidation may even benefit those independent regional carriers flexible enough to survive and fill the void. The market leader, **SkyWest**, normally makes good margins carrying almost 40 million passengers a year, owns 80% of its planes, and has enough heft to maintain market access. However the chips fall, investors looking to take advantage of big changes in U.S. aviation may need to think small.

—Jon Sindreu

China's Auto Makers Face a Rough Road

Although many factories have restarted, concerns about supplies from abroad linger

Even with some help from the government, the world's largest car market may struggle to win back consumers.

China's light-vehicle sales had their worst ever start to the year as the coronavirus spread. A fall of 80% year-over-year in February brought the decline for the first two months to 42%.

The market will certainly get better as the country starts to return to normalcy: Many people have gone back to work and travel restrictions have been eased even in Wuhan, the city where the pandemic first emerged. Given how long the recovery will take, though, China is still heading toward its third consecutive year of declining sales.

In the early stages of the crisis, global auto makers worried about securing supplies of Chinese parts for their Western factories. Now it is the opposite problem: Although many factories in China have restarted, concerns about supplies from abroad linger, especially for foreign car makers. Nearly a quarter of auto parts in China have imported elements and may experience supply bottlenecks as the pandemic restricts work in Europe and the U.S., according to Jeffer-

ies.

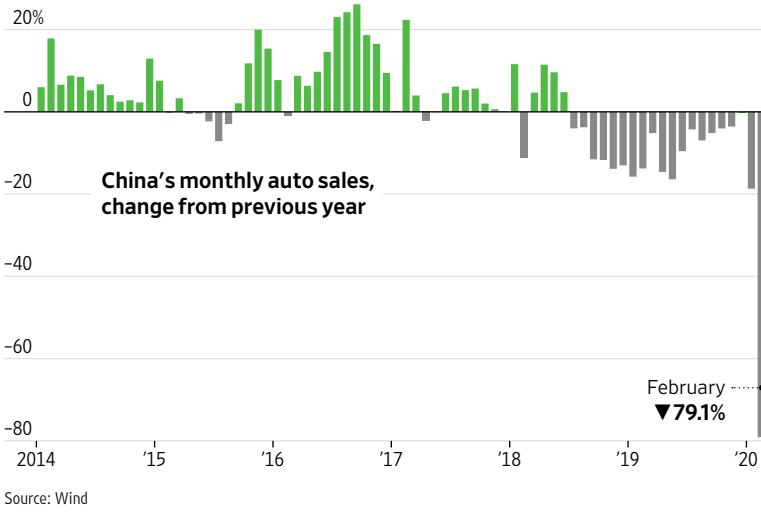
More important, a looming global recession could sap consumers' confidence in buying a new car. Even if China has managed to contain the disease, disruptions in other countries will continue to hurt its economy. Workers and small businesses are particularly affected by the crisis, which is bad news for the lower end of the market.

Many local governments have already rolled out policies to encourage car buying, including subsidies and looser license-plate restrictions. More cities or provinces will likely follow suit. Such measures could give the market a slight lift, but a bigger boost would have to come from the central government.

Beijing may have understandable concerns about the long-term impact. The last nationwide stimulus program in 2015 created an overhang that was one of the reasons for the market declines of 2018 and 2019, when tax cuts were gradually withdrawn.

China's car market will find it harder to pull out of the current rough patch than it has out of previous ones.

—Jacky Wong



Businesses, Hang On Until the Lights Come On

With the novel coronavirus spreading across the U.S., it is like a switch has been thrown on the economy, turning out the lights first here, then there. The economy could be in good shape when the switch finally gets flipped back on, but that is going to depend on how the country handles the crisis.

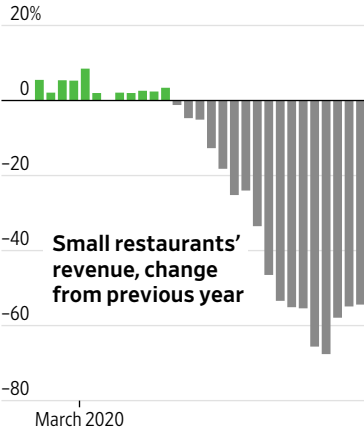
For starters, it is important to recognize that there was nothing dangerously wrong with the economy before the pandemic struck. There were, of course, problems. It wasn't growing very quickly, inflation and interest rates were lower than policy makers would have liked them to be and wage growth wasn't particularly robust despite the low level of unemployment.

But it hadn't built up any of the dangerous excesses that usually provoke recessions.

Stock market valuations were running ahead of the fundamentals, but nothing like before the dot-com bubble burst. Corporate debt was elevated, but the degree of leverage in the economy wasn't on par with what it was leading up to the financial crisis. And there certainly weren't any of the 1970's-style inflationary excesses that prompted the Federal Reserve to slam on the brakes.

Rather, the parts of the economy that have been most hurt by the sudden stifling of sales as a result of shutdowns and other social-distancing measures—the restaurants, bars, barber shops and nail salons with shut gates—made sense before the coronavirus and will make sense after it. So will the jobs they provide. As the lights start going back on, they can get back to work and the economy will come back, too.

That assumes those businesses are still standing when the pandemic has passed, though. Readings on the drop in revenue are only starting to come in, but they give a sense of how bad things are. Small-business transaction data collected by software and business-services provider Womply



shows that in the week ended March 25, sales at bars and lounges were down 52% from a year earlier, restaurant sales were down 59%, and at hotels and other lodging places, revenue was down 78%.

The numbers will probably get worse as more parts of the country shut down and more Americans adopt stricter social-distancing measures. Without any clear sense of when the threat from the virus will let up, it isn't clear when the lights will start coming back on. Until then, the key will be how many businesses buckled by the crisis can get the help they need to survive. The \$2 trillion package passed last week, with its support for households (and thus, consumer spending) and small businesses is a start, but now execution will matter so that when the help arrives, it doesn't come too late. If the crisis drags on for longer, then more money will be needed.

Then, one hopes the bar around the corner will be able to pull the chairs down from the tables, the bartender can go back to work behind the taps and an economic drought will be relieved. And that first beer will taste so good.

—Justin Lahart

OVERHEARD



Gov. Ron DeSantis has faced criticism.

Palm Beach County, known for its wealthy enclaves and home to President Trump's exclusive Mar-a-Lago club, listed pool care and landscaping

companies, too. It initially also included hair and nail salons before amending the list.

Even more surprisingly, Palm Beach County classified stores selling guns and ammunition as critical.

On Monday, Florida Gov. Ron DeSantis, who had come under criticism for his hands-off approach, announced a "Safer at Home" initiative enacting common rules for four hard-hit counties, including Palm Beach.

In a news conference, he said: "We're going guns blazing, doing all that we can, to slow the spread of Covid-19."

Not literally, we hope.

Saving for a Rainy Day Isn't Always Wise

As the economic impact of coronavirus lockdowns tears through business globally, the idea that companies should have held more cash to prepare for a rainy day is gaining currency.

For a single business, holding a buffer against unexpected slowdowns and other events outside its control might make sense. At the scale of a whole economy, it creates more problems than it solves.

For starters, despite the popular perception that American companies are overleveraged, U.S. nonfinancial corporations have been holding increasing amounts of cash in recent years. The value of checkable deposits and currency held by those firms has roughly quadrupled since the 2008 financial crisis, to over \$1.2 trillion.

When imagining the impact of forcing or prodding companies to save more, it is worth remembering a simple macroeconomic accounting identity. If the private sector globally is lending on a net basis—meaning it's accumulating assets, cash or otherwise—the world's governments must be borrowing on a net basis. Without saying anything

about the causality of the relationship, this is necessarily true in the most basic sense: One person's asset is another person's liability.

Of course, corporates could lend to other parts of the private sector—households, for example—but that would simply leave American families in a worse financial predicament during a shock. One country's companies could lend over-

Cash holdings would likely limit investment, as companies would save for a crisis a far way off.

seas, but likewise that would simply shift the risk elsewhere.

If companies saved even more than they already do, demand for top-rated cash-like assets would rise. Governments could either issue more debt, or risk that corporations drift into superficially safe private assets.

So the only solid path to higher

corporate saving involves more government borrowing. Given that simple truth, there seems to be precious little difference between making companies pay taxes, and expecting the government to respond with fiscal policy in the result of an unpredictable emergency like a pandemic, and mandating that companies hold safe assets to cover themselves during emergencies. Some might conclude from the current bailouts that corporations should pay more tax. That seems an easier fix than encouraging or even mandating gargantuan cash hoards.

There are further arguments in favor of the existing arrangement. Holding cash depresses firms' return on equity. Cash holdings would also likely limit productive investment, as companies would save for a crisis that may take more than a decade to arrive.

The idea that corporations should set aside rainy-day funds to weather crises appeals to our sense of fairness and the understandable unpopularity of bailouts. But what makes sense for individual firms, as is often the case, makes less sense for the economy.

—Mike Bird

Problems push us to find new paths.

Using IBM Watson, developers
helped build a guide that makes
cities like Tokyo more accessible.
Smart loves problems.
ibm.com/smart

Chieko Asakawa
IBM Researcher

Let's put
smart
to work.™

