

# THE WALL STREET JOURNAL

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## What's News

### Business & Finance

**Pilgrim's Pride CEO** Penn and three other industry executives were indicted on charges that they conspired to fix prices on chicken sold to restaurants and grocery stores. **A1**

◆ **Payday lenders** have sidestepped state crackdowns and ad bans to pitch their products to consumers in need of cash during the pandemic. **A1**

◆ **Warner Music's shares** jumped 20% in their trading debut, valuing the company at roughly \$15.4 billion. **B1**

◆ **U.S. stocks climbed**, with the Dow, S&P 500 and Nasdaq gaining 2%, 1.4% and 0.8%, respectively. **B1**

◆ **Many U.S. companies** cut their CEOs' salaries as the pandemic swept across American business, but few have changed equity awards. **B1**

◆ **Former UAW President** Gary Jones pleaded guilty to embezzlement of union funds and racketeering. **B1**

◆ **FedEx is adding surcharges** to some U.S. shipments, joining UPS in charging more to offset rising costs and manage a surge of packages. **B1**

◆ **China's services activity** returned to strong growth in May, while services in the U.S. and the rest of the world improved a little but continued to contract. **A7**

◆ **The Senate approved** a bipartisan bill to loosen requirements on hundreds of billions of dollars in forgivable small-business loans. **A2**

◆ **The Fed said it would** again broaden the number of local governments eligible for a new lending program. **B10**

### World-Wide

◆ **Minnesota's attorney** general added an upgraded charge of second-degree murder against one former police officer and charged three others in the killing of George Floyd, whose death sparked nationwide protests. **A1**

◆ **Some of the active-duty** troops awaiting possible deployment into Washington, D.C., were poised to return home as administration officials debated whether to invoke the Insurrection Act. **A4**

◆ **Former defense chief** Mattis denounced Trump for exacerbating divisions in American society and said that the president has fueled the current disorder. **A4**

◆ **Virginia's governor** is planning to announce that the state will remove the statue of Confederate Gen. Robert E. Lee in Richmond. **A4**

◆ **The Trump administration** said it would bar mainland Chinese airlines from flying to and from the U.S., citing Beijing's failure to approve resumption of these routes by U.S. carriers. **A1**

◆ **Johnson said Britain** is considering a route to citizenship for nearly three million Hong Kong residents, as the U.K. escalates a standoff with China. **A8**

◆ **Hydroxychloroquine** didn't prevent people from contracting Covid-19 after exposure to the coronavirus any better than those who got a placebo, a study found. **A3**

◆ **Rosenstein offered** lawmakers a limited defense of the Russia probe he oversaw as deputy attorney general, as he came under increasing criticism from Republicans. **A3**

**CONTENTS** Markets..... B11  
Banking & Finance B10 Opinion..... A12-15  
Business News..... B3-6 Sports..... A12  
Capital Account..... A2 Technology..... B4  
Commentary..... A12 U.S. News..... A2-4  
Heard on Street..... B12 Weather..... A12  
Life & Arts..... A9-11 World News..... A7-9



## Looting Deals a Second Blow

Small businesses, especially in minority neighborhoods, were already reeling from shutdowns



He Abubakar's child-care center, top, reeked of smoke from fires during the looting. Masum Siddiquee, above, lost \$200,000 worth of goods from his MIN Fashion and Jewelry.

By SCOTT CALVERT AND RUTH SIMON

**PHILADELPHIA**—The destruction came in waves.

The first one hit about 4 a.m. on Sunday, when four people smashed the glass door of a clothing store in this predominantly black neighborhood and made off with armfuls of merchandise. About 12 hours later, looters emptied out a corner pharmacy and set fire to the uniform shop next door. Several more businesses were victimized in the wee hours of Monday morning, including a jewelry store where thieves broke into glass cases and stole about \$200,000 of goods. By the time the roughly 24-hour spree was over, dozens of businesses in this half-mile stretch of 52nd Street in West Philadelphia were damaged, including a day care, a tax-preparation store and a seller of hijabs. Buildings were boarded up. Decades of

◆ **Greg Ip: Twin crises blunt economic gains** by African-Americans..... A2

## Fresh Charges Brought In Floyd Killing

Ex-officer now faces second-degree murder; three former colleagues accused of aiding him

**MINNEAPOLIS**—The Minnesota attorney general added an upgraded charge of second-degree murder against one former police officer and charged three others on Wednesday in the killing of George Floyd, whose death last week sparked nationwide protests.

Attorney General Keith Ellison added a charge of second-degree murder in addition to the charge of third-degree murder against Derek Chauvin, the former officer who was arrested and first charged on Friday. The three other former officers were charged with aiding and abetting second-degree murder.

"Every single link in the prosecutorial chain must be strong," said Mr. Ellison, the first African-American to win statewide office in Minnesota. "Winning a conviction will be hard." He said it would be months before prosecutors are ready to take the case to trial. As protesters gathered in cities across the country Wednesday night, at times flouting curfews, some cheered

◆ **New police shooting rolls** Louisville..... A4  
◆ **Mattis criticizes Trump** for divisions..... A4  
◆ **Black professionals face** tensions over protests..... A5

Please turn to page A4

Please turn to page A6

Please turn to page A7

Please turn to page A8

Please turn to page A5

## Indictment Says CEO Fixed Price Of Chicken

By BRENT KENDALL AND JACOB BUNGE

The chief executive of one of the country's biggest chicken producers and three other industry executives were indicted Wednesday on charges they conspired to fix prices on chicken sold to restaurants and grocery stores, the Justice Department's first charges in a continuing criminal antitrust probe.

Pilgrim's Pride Corp. CEO Jayson Penn and a former company vice president, Roger Austin, were charged in the one-count indictment, returned by a federal grand jury in Denver, Colorado-based Pilgrim's, majority-owned by Brazilian meat conglomerate JBS SA, is the nation's second-largest chicken producer. Also charged were the president of Georgia-based Claxton Poultry Farms, Mikell Fries, and a vice president, Scott Brady.

The indictment, filled with alleged instances of discussions about pricing and text messages about holding the line on bids to customers, charged the executives with colluding to fix prices and rig bids from 2012 to 2017. The charges also referenced other unnamed executives and chicken suppliers and suggested the sharing of pricing information extended beyond the alleged discussions between Pilgrim's and Claxton.

Neither Pilgrim's nor Messrs. Penn and Austin responded to requests to comment. A Claxton spokesman declined to comment. The companies have previously denied civil allegations of coordin-

Please turn to page A6

## U.S. Plans to Block Chinese Airlines

By ALISON SIDER AND TED MANN

The Trump administration said it will bar mainland Chinese airlines from flying to and from the U.S. starting this month, citing Beijing's failure to approve resumption of these routes by U.S. carriers.

The order blocking Chinese carriers is set to go into effect June 16 unless revoked. President Trump could opt to put it

into effect sooner. The ban marks the latest sign of souring U.S.-China relations that are at their worst in more than three decades.

Some U.S. airlines have sought to resume service to China this month after suspending flying there this year, as the coronavirus pandemic took hold.

The U.S. Transportation Department, led by Secretary

Elaine Chao, said on Wednesday that the Civil Aviation Administration of China hasn't approved requests by United Airlines Holdings Inc. and Delta Air Lines Inc. to resume flights. The DOT accused China of violating an agreement that governs air travel between the two countries.

The agency said it would reconsider its planned ban, if Chinese regulators adjust their poli-

cies to allow U.S. carriers to return. "Our overriding goal is not the perpetuation of this situation, but rather an improved environment wherein the carriers of both parties will be able to exercise fully their bilateral rights," the DOT's order said. "Should the CAAC adjust its poli-

Please turn to page A8

◆ **Shutdown of Tiananmen** vigil raises alarm..... A8

## NBA Is Set to Restart Season



The regular season would resume without fans present July 31 in Orlando, Fla., under a plan expected to be adopted Thursday. A12

## Payday Lenders Sidestep Ad Bans, State Restrictions

Lenders that target struggling borrowers for loans with triple-digit interest rates have overcome yearslong efforts to restrict their lending and are pitching their products to consumers in need of cash during the coronavirus pandemic.

They sidestepped state crackdowns by joining with out-of-state banks to offer loans and now are bypassing ad bans put in place by Google, which calls their offerings "dangerous financial products," and Facebook Inc., a Wall Street Journal investigation found.

The investigation, involving

hundreds of online searches, shows that the lenders are marketing loans that typically carry annual percentage rates of around 200% to 500% to consumers looking online for financial help amid the biggest wave of job losses in U.S. history. Google and Facebook removed several ads and said they blocked the companies'

Please turn to page A5

## The Typographical Space Race Tightens Up

Two-spacers do this after periods. One-spacers do this. Who wins?

By JAMES HOOKWAY

Ever since computers displaced typewriters, a rift has grown between people who put two spaces after a period and people who put one. Duane Daiker worries he might be on the losing side.

Mr. Daiker, a lawyer in Tampa, Fla., brought Mignon Fogarty, author of the bestselling "Grammar Girl" books,

onto his law-themed podcast in March to settle the matter once and for all. He hoped she would rule in favor of two spaces, as he had been taught in high school.

Instead, Ms. Fogarty predicted that placing two spaces after a period would die out in 10 to 20 years.

"I'll have to decide whether or not to leave this on the podcast, right?" replied Mr. Daiker,

who is 50, on the recording. Two-spacers have fretted for some time they are losing ground to one-spacers who learned to type in the digital age. Jennifer Bell, a 19-year-old student from Columbus, Ohio, summed up the counterargument: "It looks ridiculous."

Putting two spaces after a period made sense in the mechanical age, when the letters

Please turn to page A2

## INSIDE



### LIFE & ARTS

As lockdowns ease, many employees are asking how to safely return to work. A10

# U.S. NEWS

CAPITAL ACCOUNT | By Greg Ip

## Twin Crises Blunt Black Economic Gains



In the decade before Covid-19, African-Americans' economic circumstances, crushed during the 2007-09 recession, had slowly but steadily improved. Then lockdowns crashed the economy, and last week the death of a black man, George Floyd, at the hands of police touched off a wave of angry and at times violent protests.

The events have highlighted painful disparities that continue to weigh on African-Americans, in their health, their incomes and their treatment by the justice system.

Between 2011 and February, the black unemployment rate fell from 16% to 5.8%, near the lowest since records began in the early 1970s. That was still roughly double the white rate. But a more comprehensive measure, the share of working-age people who are employed, showed even more significant improvement: It reached 59% in February for black Americans, less than 2 percentage points below that of whites—near the narrowest such gap

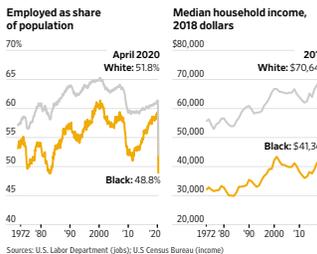
since at least 1972. Wage gains for black Americans had also started to accelerate. Still, differences in income and wealth barely changed.

In 2018, median black household incomes, adjusted for inflation, were 5% lower than in 2000, whereas white household incomes were 6% higher. While black wages began to accelerate in 2015, the gap with white wages didn't narrow.

While all racial groups saw their wealth devastated by the 2008 financial crisis, blacks' has been much slower to recover. In 2016, the median black household had \$18,000 in net worth, versus \$171,000 for whites.

"They headed into this crisis extremely vulnerable," said Elena Drenencourt, an economist who is about to join the University of California, Berkeley. Their jobs also left them more exposed to the coronavirus, she said. "Black and Latino workers have the lowest working-from-home rates and are more likely to work in industries considered essential. Inequality is a comorbidity in the Covid-19 pandemic," she said.

The racial jobs gap had narrowed, while the income gap hasn't.



Michael Nutter, a former mayor of Philadelphia, noted the coronavirus sickened and killed African-Americans at higher rates than others, leaving some families without a breadwinner. Businesses, including minority-owned ones, in Philadelphia were to start reopening Friday, but many won't because of damage sustained in the protests and subsequent looting. "It will take years for many of these cities, depending on a level of damage, disease and death, to recover," he said.

In 2007, Mr. Nutter, then a city council member, helped bring a ShopRite supermarket to Parkside, a low-income neighborhood in predominantly black West Philadelphia. It became the anchor of a neighborhood shopping center and the source of hundreds of well-paying unionized jobs.

Then came the pandemic, and then the ShopRite and its neighboring stores were looted. "Black people now have no jobs, and nowhere to get food while we are still in

the midst of a pandemic," said Mr. Nutter, who lives nearby.

Jeff Brown, president of Brown's Super Stores, a regional chain that operates the ShopRite, said, "That is still the only grocery store in the area. With the forced closure, it's a food desert again. I felt horrible. We, community leaders and elected officials did all the right things and proved this could work, and it's extremely disheartening to see that store closed."

Because they have fewer assets such as cash to fall back on, black families usually have to cut spending much more than white families when faced with such an income shock, said Damon Jones, an economist at the University of Chicago.

Still, employers may have to raise pay to persuade workers to accept front-line work, he said. "If the risk of going to work is higher because of possible exposure to a deadly disease, it's not clear to me the baseline wages prior to the pandemic are the right baseline."

Blacks' prospects will also depend on the health of their cities and neighborhoods,

which were hit hard by the pandemic and now by the unrest. Mr. Nutter said the pandemic "will force counties and cities into some combination of raising taxes...or cutting back on critical services for their citizens."

Mr. Nutter said many of the problems facing black Americans were identified by the 1968 Kerner Commission, which blamed black frustration with lack of economic opportunity and segregation for the riots that racked American cities from 1965 to 1968.

Those riots depressed blacks' property values for decades, according to one study.

But Vanderbilt University economist William Collins, one of its authors, says that is probably not the template for today. Many black Americans have moved to the suburbs, and cities' economic bases are stronger than in the 1960s, when they were deindustrializing. In fact, many have gained jobs and population. Most of the damage in the past week has been in retail and office districts, whereas black neighborhoods bore most of the destruction in the 1960s.

### U.S. WATCH

#### WASHINGTON

#### Trump's Doctor Says He 'Remains Healthy'

President Trump's physician said the president "remains healthy" and has experienced no side effects from a two-week course of the antimalaria drug hydroxychloroquine, which was administered to prevent him from getting Covid-19.

The president completed the first part of his physical exam in November during an unannounced weekend visit to Walter Reed National Military Medical Center, according to the White House.

In a memo released by the White House on Wednesday, Sean Conley, the physician to the president, said he completed the exam in April.

"Based on my history, examination and consultations, the data indicates the President remains healthy," Dr. Conley wrote.

Dr. Conley said the president took hydroxychloroquine as a preventive measure, along with zinc and vitamin D after two White House staffers were diagnosed with Covid-19.

The president's health was monitored while he took the medication, and Dr. Conley said he completed the re-examination safely and had no side effects.

The Food and Drug Administration has warned that the drug is linked to serious heart problems and should be used only on hospitalized patients or as part of clinical trials.

—Andrew Restuccia



**NEW ERA:** Ella Jones made an appearance Wednesday in Ferguson, Mo., a day after being elected mayor. Ms. Jones, now on city council, will become the first woman and first African-American to lead the city.

#### SENATE

#### Bill Aims to Protect University Research

New legislation aims to stop China and others from stealing U.S. taxpayer-funded research at universities by enhancing the authority of federal agencies to monitor and punish the schools and scientists.

The bill, which Sens. Rob Portman (R, Ohio) and Tom Carper (D, Del.) plan to introduce Thursday, follows renewed alarms from the White House and U.S. agencies over Beijing's alleged attempts to tap U.S. university and tech-

nological competitiveness. Beijing has denied any systematic effort to steal U.S. scientific research. Chinese state media have called American allegations of intellectual-property theft a political tool.

The bill, among other things, would give the State, Justice and Education departments greater powers to police foreign researchers and American universities that accept U.S. and foreign grant money. It would update the U.S. criminal code to make it illegal to submit a federal grant application that fails to disclose an applicant's receipt of foreign money, according to a draft reviewed by The Wall Street Journal.

—Kate O'Keefe

#### FLORIDA

#### Bars, Theme Parks Are Set to Reopen

Florida bars, bowling alleys and theme parks will be part of the next phase of reopening the state in the midst of the coronavirus pandemic, Republican Gov. Ron DeSantis made his announcement at Universal Orlando Resort, which opened to passholders for Wednesday and Thursday, and will open to the wider public on Friday.

Friday is also the day where Phase 2 of the reopening will begin, with bars allowed to open

at 50% capacity with social distancing and sanitation.

Phase 2 applies to 64 of Florida's 67 counties. The hardest hit—Miami-Dade, Broward and Palm Beach—will have to submit plans for the next step in their reopening.

Florida allowed restaurants and retail shops to open at 25% capacity on May 4 and expanded that later in the month.

Movie theaters, bowling alleys and pari-mutuel betting facilities also have a path to reopen if they submit a plan for social distancing and sanitizing, the governor said.

As of Wednesday, Florida had more than 58,700 coronavirus cases and more than 2,500 related deaths, according to the Florida Department of Health.

—Associated Press

#### PENNSYLVANIA

#### Storm Kills Two, Tears Off Roof

A nighttime storm on Wednesday killed two people in southeastern Pennsylvania and ripped the roof off a seven-story apartment building, authorities said.

Two people died in separate areas of Montgomery County, said Valerie Arkoosh, chair of the county's board of commissioners.

There were a number of serious fires, and the storm tore the roof off the apartment building left 150 units uninhabitable, Dr. Arkoosh said.

Some areas may be without power for several days, she said.

—Associated Press

## Bill Relaxing PPP Rules Heads to President

By NATALIE ANDREWS

WASHINGTON—The Senate approved a bipartisan bill to loosen requirements on hundreds of billions of dollars in forgivable small-business loans, though some business leaders say the help is too late to save struggling businesses.

The legislation passed Wednesday with unanimous consent in the Senate, and passed the House last week 471-1, showing the bipartisan support to improve the Paycheck Protection Program, created by Congress in March to help employers struggling to stay open during the coronavirus pandemic.

The legislation extends the duration of PPP loans to 24 weeks from eight weeks. It also extends the deadline to rehire workers to Dec. 31 to qualify for loan forgiveness.

Moreover, many businesses that sought loans were constructed by Small Business Administration regulations mandating that 75% of the expenses go to payroll. The bill reduces the level of Paycheck Protection Program funds that must be used for payroll to 60% from 75%.

The bill now heads to President Trump for a signature. The White House declined to comment on the legislation.

## Space Race Gets Even Tighter

Continued from Page one

produced by typewriters were all the same width. With a single space at the end of a sentence, the page looked a little cramped.

Legal professionals who regularly write through dense documents are among the loudest proponents.

In these digital days, different letters have variable widths, making words and sentences easier to read. The AP and the Chicago Manual of Style both say one space is sufficient. The Wall Street Journal switched from two spaces to one in its print edition decades ago. Last year the American Psychological Association ruled in favor of a single space in its widely followed style guide for academic papers.

A further setback to two-spacers came in April.

Alan Chen was sitting at home in Denver typing when he noticed something he hadn't seen before. The document he was working on flagged as an error the two spaces he customarily leaves after a period.

"The one spacers have won," Mr. Chen tweeted.

After deeming either one or two spaces as acceptable for years, Microsoft recently changed the default setting in Word so that two spaces after a period summons the blue squiggle indicating an error.

Mr. Chen's discovery went viral. "It's interesting," he said. "You'd think people would have more to worry about during a pandemic."

Kirk Gregersen, partner director of program management at Microsoft, acknowledged not all writers will appreciate the stylistic choice.

So Microsoft added the option for users to tweak their settings so that two spaces don't get flagged.

Judge Beth Walker, 55 years old, of the West Virginia Supreme Court of Appeals, said she would change her settings. She said she is tired of being shamed by millennials who she said insist on rushing from sentence to sentence.

"I suspect that Microsoft's latest salvo will only unite the commitment of #TeamTwoSpace," she said. "To the extent necessary, I will alter any and all automatic settings they attempt to impose."

The camps often form along generational lines.

"I was taught in high school to type with two spaces after a period and that's how I will continue," said Lou Mulligan, who graduated from high school in the 1990s and is a law professor at the University of Kansas. "Two spaces follows a period like night follows day."

Some two-spacers point to a study published in 2018 by three psychology researchers at Skidmore College. The team placed sensors on the heads of 60 volunteers to monitor where they were looking as they read various texts.

The subjects who naturally typed two spaces after a period—around a third of the sample—found two-space paragraphs easier to read. For the rest, the impact was neutral. So looking across the population on average, proponents say, two spaces should win.

Sarah Lahlou-Amine entered the fray last June when, as chair of the Appellate Practice Section of the Florida Bar, she printed off two sets of stickers for members to declare their loyalty at an annual conference. One set advocated for #TeamTwoSpace, while the other backed #TeamOneSpace.

"The nice thing about the

stickers is that they got people who otherwise might have sat on the sidelines to engage in this friendly feud, if only by putting on a sticker and maybe letting us post a picture of them on social media to declare their side," she said.

Nick Shannin, the current chair, said, "#TeamTwoSpace was the more popular sticker choice amongst us appellate lawyers" by about 2-to-1.

Mr. Daiker, who brought up the issue on his podcast, argued that ample space around sentences is just as important now with people reading more material on screens.

"We have to get across that while the practice of using two spaces may have originated due to the mechanical limitations of typewriters, there are very real advantages that remain valid and important today," he said.

Ms. Fogarty, the author, wasn't swayed. "I don't think two-spacers will have much long-term success fighting both prevailing standards and the general ubiquity of one-space writing," she wrote in a one-space email.

There might be some consolation for two-spacers in Ms. Fogarty's prediction that it would take one or two decades for the one-spacers to claim victory. "I'll be retired by then so I won't have to worry about it anymore," Mr. Daiker said.

## CORRECTIONS & AMPLIFICATIONS

In some editions Wednesday, comedian and actor Wyatt Cenac was incorrectly referred to as Mr. Wyatt on second reference in a Life & Arts article about the online-activism effort dubbed Blackout Tuesday.

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