

# THE WALL STREET JOURNAL.

## What's News

### Business & Finance

- ◆ **The U.S. economy** grew at a sharply slower pace in the first quarter and inflation topped Wall Street's expectations, dimming investor hopes for a quick Fed rate cut and sending the stock and bond markets down. **A1, A2**
- ◆ **The S&P 500, Dow and Nasdaq** fell 0.5%, 1% and 0.6%, respectively. The yield on the 10-year Treasury note jumped to 4.706%. **B11**
- ◆ **Google's parent** said quarterly profit jumped and it announced its first cash dividend, sending its stock soaring after months of scrutiny over an expensive push in artificial intelligence. **A1**
- ◆ **Microsoft's profit** rose last quarter as AI bolstered demand for its software and cloud services, prompting the company to spend heavily on infrastructure to accommodate the appetite for the technology. **B1**
- ◆ **The NBA is advancing** toward a series of major media deals, with Amazon and Google's YouTube vying for a new streaming package. **B1**
- ◆ **Unilever backed** its full-year guidance after reporting better-than-expected revenue for the first quarter on higher volumes. **B2**
- ◆ **Hipgnosis agreed** to an improved \$1.51 billion takeover by Apollo-backed music company Concord, trumping an approach from Blackstone. **B2**
- ◆ **Anglo American is** considering a sale of its De Beers diamond unit, according to people familiar with the matter. **B3**
- ◆ **The federal government** granted Micron Technology \$6.1 billion to build two chip-making facilities in New York and one in Idaho. **B4**

## World-Wide

- ◆ **The Supreme Court**, hearing a last-ditch appeal from Trump, appeared open to granting some level of immunity to protect former presidents from being prosecuted for alleged crimes committed while in office. **A1**
- ◆ **New York's highest** court in a divided ruling overturned disgraced Hollywood producer Harvey Weinstein's 2020 rape conviction. **A1**
- ◆ **Senate Minority Leader McConnell**, fresh off a bipartisan victory on overseas aid, said he wants to pump up U.S. military spending to meet new challenges from China, Russia and Iran. **A4**
- ◆ **Some missiles fired** by Russia at Ukraine have entered Poland's airspace since 2022 in a show of force that risks igniting a wider war, Polish President Andrzej Duda said. **A8**
- ◆ **European lawmakers** approved a resolution calling for the immediate and unconditional release of political prisoners held in Russia, including Wall Street Journal reporter Evan Gershkovich. **A8**
- ◆ **The Biden administration** issued new rules that crack down on power-plant pollution and could force many coal plants to close unless they make costly upgrades. **A5**
- ◆ **The administration is** consolidating approval authority over big power-grid projects to accelerate upgrades and provide access to new clean-energy projects. **A5**
- ◆ **U.S. troops began** assembling a floating pier off the Gaza coast as part of an effort to open new conduits for the delivery of humanitarian aid to the enclave. **A7**

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# Growth Slows, Inflation Firms

### Stocks, bonds fall as price pressures make it difficult for Fed to cut rates now

By DAVID UBERTI

The U.S. economy grew at a sharply slower pace in the first quarter and inflation topped Wall Street's expectations, dimming investor hopes for a quick Federal Reserve rate cut and sending stock and bond markets down.

Gross domestic product expanded at a 1.6% seasonally and inflation-adjusted annual rate in the first quarter, the

Commerce Department said Thursday, a pullback from last year's quick pace. That lagged behind the 2.4% projected by economists polled by The Wall Street Journal.

Thursday's report also suggests inflation, using the Fed's preferred gauge, was likely firmer than expected in March. That gives investors another reason to give up on the idea that the Federal Reserve could begin slashing interest rates in the coming months.

Typically, an underwhelming growth figure would boost hopes that the Fed will lower interest rates. But continued price pressures complicated that outlook.

The inflation reading sparked a selloff in bonds, sending yields on the 10-year Treasury note to 4.706%, their highest level since November.

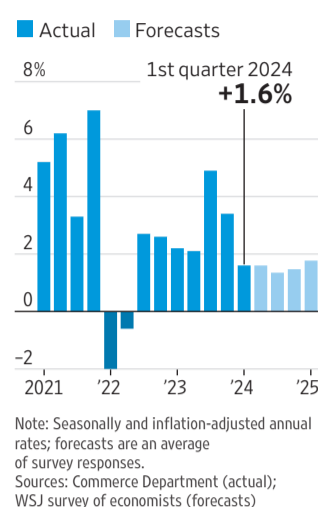
Stocks fell, meanwhile, with the Dow Jones Industrial Average sliding 1%, or 375 points.

Investors are pricing in a 19% chance that the Fed will hold interest rates steady through year-end, according to CME Group, up from below

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- ◆ **Greg Ip: Economy reigns, trouble lurks.....** A2
- ◆ **Hopes for rate cuts are slipping away.....** A2
- ◆ **Stocks, bonds fall on inflation news.....** B11

GDP, quarterly change



# Justices Seem Open To Some Immunity For Trump

### Conservative majority wary that prosecution fear would hamstring a future president

By JESS BRAVIN AND JAN WOLFE

WASHINGTON—The Supreme Court, hearing a last-ditch appeal from Donald Trump, appeared open Thursday to granting some level of immunity to protect former presidents from being prosecuted for alleged crimes committed while in office.

Over nearly three hours of oral argument, the court's conservative majority expressed greater concern that a future president might flinch from bold action for fear of prosecution than the possibility that Trump could avoid accountability on charges he attempted to steal the 2020 presidential election from Joe Biden.

The risk, said Justice Brett Kavanaugh, was that a Trump trial could open the door to a new era of American politics where prosecution of ex-presidents became routine, much as the use of special counsels accelerated after the Watergate scandal. "It's going to cycle back and be used against the current president or the next president and the next president after that," Kavanaugh said.

Trump himself amplified that concern before arguments began Thursday. "Crooked Joe deserves life in prison!" Trump said in an email to supporters. "Put Biden on trial."

The court seemed unlikely to accept all of Trump's arguments, which seek "absolute immunity" for alleged crimes committed while in office. But most justices agreed that former presidents deserve strong protection from prosecution.

Any high court decision embracing that position could further delay Trump's trial, if not end the prosecution entirely. And it likely would cloud other prosecutions Trump is facing, including charges before a Georgia state court that he pressured officials there to fraudulently deliver to him

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# Campuses Tighten Grip as Demonstrations Spread



SEIZED: Police arrest a demonstrator at Emory University in Atlanta on Thursday at a pro-Palestinian protest against the war in Gaza. The University of Southern California canceled its main commencement ceremony because of security concerns. A3

# Graduates Shaped by Pandemic, Protest

### Class of '24 has been defined by anxiety, starting with isolation and ending in anger

By DOUGLAS BELKIN

Columbia's class of 2024 missed high school graduations and university orientation. Their freshman year passed in a haze of masks, Zoom classes and isolation.

Four years later, not much has changed. Thanks to the Gaza protests,

crowds are again being dispersed, classes have gone remote and students are wearing masks—this time to hide their identities at demonstrations. Graduation ceremonies might be canceled.

"We've never had a calm time when we can just focus on being kids," said Tejasri Vijayakumar, a senior and student body president of Columbia College at

Columbia University. "You talk to people in generations above us about college and they said you could just gather in spaces and do whatever you want and no one would stop you, that's not really true anymore."

The political polarization on college campuses across the country this spring

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# Alphabet Sets First Dividend As Google Sales Jump

By MILES KRUPPA

Google's parent said quarterly profit jumped and it announced its first cash dividend, sending its stock soaring following months of scrutiny over an expensive push in artificial intelligence.

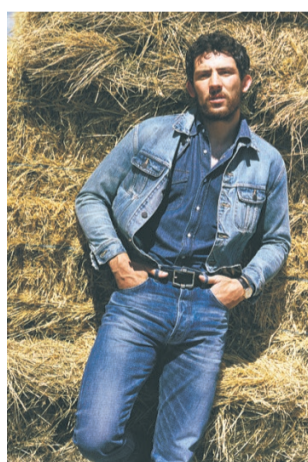
Parent company Alphabet on Thursday also reported revenue in the three months through March rose 15% from a year earlier to \$80.5 billion. That marked an uptick from the 13.5% rise in the previous quarter. The company highlighted cost controls that helped improve profit margins in the latest quarter.

Big tech companies such as Google and Microsoft—which also on Thursday reported better-than-expected quarterly sales growth—are pouring money into building new data centers and chips for artificial intelligence.

Alphabet recorded \$12 billion in capital expenditures during the first quarter, a 91% increase from last year.

◆ **AI demand lifts Microsoft profit.....** B1

## TOMORROW



### WSJ MAGAZINE

JOSH O'CONNOR

# Weinstein's Sex Conviction Is Thrown Out by N.Y. Court

By ERIN MULVANEY AND JACOB GERSHMAN

New York's highest court overturned disgraced Hollywood producer Harvey Weinstein's 2020 rape conviction, a decision that upends one of the leading cases of the #MeToo movement.

The court, in a divided ruling Thursday, said a trial judge made fundamental errors, including admitting testimony from unrelated Weinstein accusers that jurors should never have heard.

"The remedy for these egregious errors is a new trial," the appeals court said.

A Manhattan jury had found Weinstein guilty of third-degree rape for a 2013 encounter in which he allegedly had sex with aspiring actress Jessica Mann against her will. Jurors also found him guilty of a first-degree criminal sex act stemming from accusations that he forced oral sex on production assistant Miriam Haley in 2006. He was sentenced to 23 years in prison.

Though Thursday's ruling sent shock waves, it won't make Weinstein, 72 years old, a free man. In a separate case, a California jury convicted Weinstein in 2022 of rape and

other offenses. He was sentenced to 16 years in prison. That case remains on appeal.

The decision to overturn the New York conviction leaves Manhattan prosecutors in a conundrum as they try to salvage one of their most high-profile cases. A retrial could force some alleged victims to provide gut-wrenching testimony again about their experiences. Others won't be allowed to testify at all, which will require prosecutors to resort to a different strategy.

"We will do everything in our power to retry this case and remain steadfast in our

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# Father of Nutrition Labels Doesn't Count His Own Calories

### Attorney Peter Barton Hutt left his mark on hundreds of millions of U.S. food products

By LIZ ESSLER WHYTE

Peter Barton Hutt doesn't care what food you buy, as long as you know what's in it.

He introduced America to the nutrition label, the fine print on food and drink that reveals, say, the number of calories in that pint of vanilla ice cream or how much fruit

juice is really in that "juice drink." He also decreed the label's type size: no smaller than 1/16th of an inch.

From a historical standpoint, Hutt has left a mark matched by few mortals. The labels have appeared on hundreds of millions—billions, maybe—of consumer products

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## INSIDE



### BUSINESS & FINANCE

Southwest pulls out of some airports, cuts costs as it posts lackluster earnings. **B1**



### MANSSION

Sea Ranch, a quirky, environmentally conscious enclave, goes upscale. **M1**

