

Going greener

Surge in plant-based products shows market has far to go — OPINION, PAGE 17

Biden vs Beijing

Will Europe back Washington's new cold war rhetoric? — BIG READ, PAGE 15



Trapped in Oz

Strict border rules are wearing thin down under — NOTEBOOK, PAGE 16

Rocket man
Bezos set to fly into space

Jeff Bezos is preparing to board the world's first civilian space flight next month, beating rival billionaires Elon Musk and Richard Branson to soar beyond the Kármán line, the internationally recognised edge of space that is more than 60 miles above Earth.

The Amazon founder said that he would fly into space on the New Shepard rocket scheduled for launch by his Blue Origin company on July 20 — the 52nd anniversary of the Apollo 11 moon landing.

His brother will accompany him on what he called "the greatest adventure", alongside the winner of a multimillion-dollar auction for the final seat. Almost 6,000 people bid up to \$2.5m for a place. **Report page 6**



Nasa

G7 eyes taxing Amazon by raiding lucrative cloud-computing division

◆ AWS treated as separate entity ◆ OECD plans vague ◆ Move ensures higher rate for Europe

CHRIS GILES AND
TIM BRADSHAW — LONDON
EMMA AGYEMANG — COPENHAGEN

Finance ministers are plotting a raid on Amazon's lucrative cloud computing business to ensure it pays more corporate tax under a new G7 agreement on a global rate.

Despite Amazon appearing to fall outside the profit margin threshold set by the seven advanced economies, one of the world's most highly valued tech group will have to pay more corporate tax in some of its largest markets if the G7 agreement is ratified, according to people close to the discussions.

Amazon did not start to generate significant profits until 2017 and they have consistently been below the 10 per cent margin threshold set by the G7.

However, the OECD, which is convening the international negotiations on the global tax rate, is exploring a special measure to treat Amazon's cloud computing division as a separate entity, said a person briefed on the talks. The measure would ensure Amazon pays more tax in large European countries such as France, Germany, the UK and Italy.

Amazon Web Services' operating income leapt 47 per cent to \$15.5bn last year, generating an operating margin of 30 per cent in 2020, compared with 3 per cent for its retail business.

The OECD proposal would ensure that the biggest US tech companies were caught by the G7 global tax agreement.

Details of the move to make companies pay more tax in the jurisdictions where they operate were left vague. The

G7 said that countries where sales were made would be "awarded taxing rights of 20 per cent profit exceeding a 10 per cent margin for the largest and most profitable multinational enterprises".

AWS was founded in 2006 but Amazon did not break out the unit's financial performance until 2015. Revenues last year increased 30 per cent to \$45.4bn; Amazon's shares have risen more than 700 per cent since it began to disclose AWS's performance.

Janet Yellen, US Treasury secretary, signalled at the weekend that all the US tech groups would be covered. Asked about Facebook and Amazon, she said the deal would "include large profitable firms, and those firms, I believe, will qualify by almost any definition".

Amazon declined to comment but has



Amazon Web Services' operating income leapt 47 per cent to \$15.5bn last year, generating an operating margin of 30 per cent

described the weekend's G7 agreement as a "welcome step forward".

"We believe an OECD-led process that creates a multilateral solution will help bring stability to the international tax system," the company said.

Seamus Coffey, an economist at University College Cork and former adviser to the Irish government on tax reform, challenged the idea that finance ministers might manufacture a way to include Amazon in the proposals.

"If you're designing rules to target specific or individual companies, I'm not sure that's a good basis to proceed," said Coffey.

"Retailing is a low-margin business. Just because you're doing it online doesn't change that."

Lex page 18

Briefing

► **Scholz under fire from MPs on Wirecard**
Germany's finance minister has been censured by lawmakers over the Wirecard scandal, saying that he bore political responsibility for the failure of German financial supervision that the saga exposed. — PAGE 2

► **Google fined for abusing ads dominance**
Google has been fined €220m by French regulators for abusing its dominant position in the country's online ads sector. Changes to how the group operates in France were imposed for three years. — PAGE 6

► **Apple pressed to shut privacy loopholes**
Apple is facing heat to tighten its new privacy rules after experts warned that thousands of apps were still collecting data from users who had opted out of being tracked. — PAGE 8



► **López Obrador poised to lose majority**
Mexico's president looked set to lose his Congress majority in midterm polls that he had portrayed as a referendum on his rule, but his party claimed to have virtually swept the state governorships. — PAGE 4

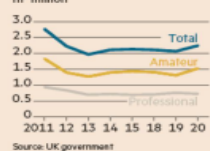
► **France investigates Lebanon bank chief**
France's financial prosecutor has opened an inquiry into Lebanon's central bank governor, Riad Salame, becoming the second European country to probe the overseas dealings of the embattled banker. — PAGE 3

► **Carlyle Japan chief predicts M&A surge**
The head of Carlyle's Japan unit has projected a surge in buyout deals as a post-Covid business scene and pressure on companies to achieve carbon neutrality force a wave of acquisitions and spin-offs. — PAGE 8

► **Emirates Reit cancels revamp of sukuk**
Amid a rare example of debtor activism in the Gulf, the sharia-compliant Emirates Reit has rescinded a proposed restructuring of its \$400m Islamic bond following a revolt over transparency. — PAGE 10

Datawatch

Digging in
Volume of peat sold in the UK m³ million



Source: UK government

Although the UK government had wanted a peat-free amateur horticulture sector by 2020, sales last year increased as gardeners ignored measures and green compost in their zeal to improve their green spaces during the pandemic.



Indebted nations tangled up in threat of US inflation

Policy makers across the developing world busy fighting the spread of Covid-19 have another battle on their hands: inflation. Rising US prices are fuelling investors' expectations of interest rate increases, which makes it more expensive for other nations to sell debt. Any global recovery will be a blow to countries such as South Africa and Brazil, which will have their precarious public finances thrown further into disarray. **FT Series — PAGE 3**

Alzheimer's breakthrough as Biogen drug wins approval from US regulators

NIKOU AGSARI — NEW YORK

US regulators yesterday gave the green light to Biogen's Alzheimer's drug, the first time in almost two decades that a treatment has been approved for the debilitating disease despite a scientific debate over the medicine's efficacy.

In a significant moment for the roughly 55m people suffering from the cognitive illness worldwide, the US Food and Drug Administration approved aducanumab, an intravenous infusion for patients that will cost \$56,000 per year.

Aducanumab, which will be sold under the brand name Aduhelm, is the first Alzheimer's drug to be approved that claims to slow down the disease's progression. The medicine breaks up clumps of amyloid plaques that form in the brain, which some scientists believe cause the illness.

All of the other drugs that have been approved for Alzheimer's so far treat its symptoms, rather than slowing or reversing the course of the disease.

Michel Vounatsos, chief executive of Biogen, said: "This historic moment is the culmination of more than a decade of groundbreaking research in the complex field of Alzheimer's disease."

Shares of Biogen, a US biotech company, surged 54 per cent when trading resumed after a halt awaiting the decision. The stock price of Japanese drug-maker Eisai, its development partner, also climbed 52 per cent.

The drug has stirred controversy for years, with many scientists opposing its approval on the grounds that there is scant evidence it works.

"We are well aware of the attention surrounding this approval," said Patricia Cavazzoni, director of the FDA's Center

for Drug Evaluation and Research. She said the agency had concluded that aducanumab was "reasonably likely" to help patients and that the overall benefits of the drug outweighed the risk to patients.

The drug was approved using a so-called accelerated pathway, which allows the FDA to give the nod to a medicine for a serious illness that has few treatment options — even in advance of conclusive evidence that it is effective.

While Biogen can start to sell aducanumab immediately, it will need to carry out a large trial on its clinical benefits, a process likely to take years.

"This is a game-changer for Biogen," said Colin Bristow, an analyst at UBS.

The Alzheimer's Association welcomed the decision, calling it a "victory for people living with Alzheimer's and their families".

World Markets

STOCK MARKETS				
	Jun 7	prev	%chg	
S&P 500	4217.87	4229.09	-0.28	
Nasdaq Composite	13823.07	13814.49	0.06	
Dow Jones Ind	34827.68	34756.39	-0.37	
FTSEurofirst 300	1747.17	1742.12	0.29	
Euro Stoxx 50	4100.51	4089.38	0.27	
FTSE 100	7077.22	7069.04	0.12	
FTSE All-Share	4049.96	4042.42	0.18	
CAC 40	6543.56	6515.66	0.43	
Xetra Dax	15677.15	15682.90	-0.10	
Nikkei	29019.24	28941.52	0.27	
Hang Seng	26787.20	26818.10	-0.45	
MSCI World	2997.36	2972.87	0.82	
MSCI EM	1381.56	1383.57	-0.15	
MSCI ACWI	716.31	711.36	0.70	

CURRENCIES				
	Jun 7	prev		
\$ per €	1.219	1.216	€ per \$	0.706
\$ per £	1.417	1.417	£ per \$	1.163
¥ per €	0.890	0.898	¥ per £	133.197
¥ per \$	109.295	109.515	£ index	82.328
¥ per €	154.844	155.204	SFR per €	1.272
SFR per \$	1.094	1.094	€ per \$	0.921
€ per \$	0.921	0.922		

COMMODITIES				
	Jun 7	prev	%chg	
Oil WTI	69.45	69.82	-0.24	
Oil Brent	71.70	71.89	-0.26	
Gold	1890.60	1886.55	1.20	

INTEREST RATES				
	price	yield	chg	
US Gov 10 yr	148.02	1.56	0.01	
UK Gov 10 yr		0.81	0.01	
Ger Gov 10 yr		-0.20	0.02	
Jpn Gov 10 yr	116.42	0.08	0.00	
US Gov 30 yr	109.52	2.24	0.00	
Ger Gov 2 yr	105.98	-0.67	0.01	

Fed Funds Eff				
	price	prev	chg	
US 3m Bill	0.02	0.02	0.00	
Euro Liber 3m	-0.55	-0.55	0.00	
UK 3m	0.08	0.08	0.00	

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Mangled Trains in Southern Pakistan

At least 35 people were killed when an express passenger train derailed in Punjab Province and a second one slammed into it. Page A7.

Jail for Women Shut for Abuses In New Jersey

By TRACEY TULLY

Just over a year ago, the Justice Department offered a scathing indictment of New Jersey's only prison for women, describing a culture of sexual violence by guards so entrenched that it violated prisoners' constitutional protections from cruel and unusual punishment.

But the string of scandals continued. After a day of mounting tension in January that included prisoners flinging bodily fluids at guards, officers violently removed several women from their cells during a midnight raid. One woman was punched in the face 28 times, the state's attorney general said.

On Monday, in a stunning declaration that the problems were beyond repair, Gov. Philip D. Murphy announced that the prison, Edna Mahan Correctional Facility, would be permanently closed.

The governor's decision comes as states and cities around the country are reckoning with violence and abuse behind bars, and as officials are beginning to heed calls to rethink incarceration.

In New York City, there are plans to shut down the notorious Rikers Island jail complex and replace it with smaller, community-based lockups. Other states, including California, Connecticut and Missouri, have moved to close facilities amid a decline in the prison population tied to decreased crime rates and an emphasis on drug treatment instead of incarceration for some offenses.

After the violent overnight raid on Jan. 11, New Jersey suspended 34 prison staff members, and later charged 10 with crimes ranging from assault to official misconduct.

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Arrival of FEMA Aid Widens Racial Disparities

By CHRISTOPHER FLAVELLE

Roy Vaussine and Charlotte Biagas live in modest, single-story homes about a dozen miles apart in southwest Louisiana. When Hurricane Laura tore through their community last August, the damage was nearly identical. A tree crashed through the roof of each house. Neither had insurance. Each sought help from the federal government.

At that point, their stories diverge. The Federal Emergency Management Agency initially gave Mr. Vaussine \$17,000 in assistance; Ms. Biagas and her husband, Norman, got \$7,000.

Their situations are different in another respect: Mr. Vaussine is

Black Survivors Collect Less Relief Money From Disasters

white. Charlotte and Norman Biagas are Black.

A growing body of research shows that FEMA, the government agency responsible for helping Americans recover from disasters, often helps white disaster victims more than people of color, even when the amount of damage is the same. Not only do individual white Americans often receive more aid from FEMA; so do the

communities in which they live, according to several recent studies based on federal data.

Leaders at FEMA are wrestling with the complicated question of why these disparities exist — and what to do about them. The problem seems to stem from complex systemic factors, like a real estate market that often places higher values on properties in communities with many white residents, or the difficulty of navigating the federal bureaucracy, which tends to favor people and communities that have more resources from the beginning.

The impact from this disparity is long-lasting. White people in counties with significant disaster

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In Guatemala, Harris Discourages Migration

In her first foreign trip as vice president, Kamala Harris promoted regional development. Page A5.

One House, Two Families and the Struggle for East Jerusalem

By PATRICK KINGSLEY

JERUSALEM — Few places in East Jerusalem show the struggle over the city more intimately than a four-story house on a narrow alley in the Silwan district.

Nasser Rajabi, a Palestinian, and his family live in the basement, third floor and part of the second.

Boaz Tanami, an Israeli settler, and his family live on the first floor and the rest of the second.

Each claims the right to live there. Each wants the other out.

An Israeli court has ruled that a Jewish trust owns the building and ordered the eviction of Mr. Rajabi, but the ruling is under appeal.

The case is not just a dispute over a single property: It is part of

Arabs Contest Eviction as Settlers Move In

an effort by Jewish settlers to cement Jewish control of East Jerusalem, a process many Palestinians see as a slow form of ethnic cleansing. A similar dispute in the

nearby neighborhood of Sheikh Jarrah, which could lead to the eviction of Palestinians there to make room for settlers, led to protests, clashes and finally war this past month between Israel and Hamas, killing more than 240 people.

Captured by Israel in 1967 but still considered occupied territory

Continued on Page A7

Seizing Money, U.S. Retaliates For Cybercrime

Recoups Millions Paid to Pipeline Hackers

By KATIE BENNER
and NICOLE PERLROTH

WASHINGTON — The Justice Department said on Monday that it had seized much of the ransom that a major U.S. pipeline operator had paid last month to a Russian hacking collective, turning the tables on the hackers by reaching into a digital wallet to snatch back millions of dollars in cryptocurrency.

Investigators in recent weeks traced 75 Bitcoins worth more than \$4 million that Colonial Pipeline had paid to the hackers as the attack shut down its computer systems, prompting fuel shortages, a spike in gasoline prices and chaos at airports.

Federal investigators tracked the ransom as it moved through a maze of at least 23 different electronic accounts belonging to DarkSide, the hacking group, before landing in one that a federal judge allowed them to break into, according to law enforcement officials and court documents.

The Justice Department said it seized 63.7 Bitcoins, valued at about \$2.3 billion. (The value of a Bitcoin has dropped over the past month.)

"The sophisticated use of technology to hold businesses and even whole cities hostage for profit is a 21st-century challenge, but the old adage 'follow the money' still applies," Lisa O. Monaco, the deputy attorney general, said at the news conference at the Justice Department.

Law enforcement officials highlighted the seizure in an effort to warn cybercriminals that the United States planned to take aim at their profits, which are often gained through cryptocurrencies like Bitcoin. It was also intended to encourage victims of ransomware attacks — which occur every eight minutes, on average — to notify the authorities to help recover ransoms.

For years, victims have opted to quietly pay cybercriminals, calculating that the payment would be cheaper than rebuilding data and services. Though the F.B.I. discourages ransom payments, they are legal and even tax deductible. But the payments — which collectively total billions of dollars — have funded and emboldened ransomware groups.

Justice Department officials said that Colonial's willingness

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Arizona's Vote Audit Is Scorned. Republicans Press On, Anyway.

By MICHAEL WINES

SURPRISE, Ariz. — Rob Goins is 57, a former Marine and a life-long Republican in a right-leaning jigsaw of golf courses, strip malls and gated retirement communities pieced together in the Arizona desert. But ask about the Republican-backed review of Joseph R. Biden Jr.'s 2020 election victory here in Maricopa County, and Mr. Goins rejects the party line.

"There's a lot of folks out there trying to make something out of nothing," he said recently as he loaded purchases into his vehicle outside a Home Depot. "I don't think there was any fraud. My opinion of this is that it's a big lie."

Mr. Goins is flesh-and-blood evidence of what political analysts here are all but shouting: The Republican State Senate's autopsy of the 2020 vote, broadly seen as a symbolic, partisan effort to nurse grievances about Donald J. Trump's loss here in November, risks driving away some of the very people the party needs to win statewide elections in 2022.

F.D.A. APPROVES NEW MEDICATION FOR ALZHEIMER'S

PRICED \$56,000 A YEAR

Decision Comes Despite Opposition From Advisory Panel

By PAM BELLUCK
and REBECCA ROBBINS

The Food and Drug Administration on Monday approved the first new medication for Alzheimer's disease in nearly two decades, a contentious decision, made despite opposition from the agency's independent advisory committee and some Alzheimer's experts who said there was not enough evidence that the drug can help patients.

The drug, aducanumab, which will go by the brand name Aduhelm, is a monthly intravenous infusion intended to slow cognitive decline in people with mild memory and thinking problems. It is the first approved treatment to attack the disease process of Alzheimer's instead of just addressing dementia symptoms.

Biogen, its manufacturer, announced Monday afternoon that the list price would be \$56,000 a year. In addition, there will most likely be tens of thousands of dollars in costs for diagnostic testing and brain imaging.

Recognizing that clinical trials of the drug had provided incomplete evidence to demonstrate effectiveness, the F.D.A. granted approval for the drug to be used but required Biogen to conduct a new clinical trial.

If the new trial, called a Phase 4 trial, fails to show the drug is effective, the F.D.A. can — but is not required to — rescind its approval.

About six million people in the United States and roughly 30 million globally have Alzheimer's, a number expected to double by 2050. Currently, five medications approved in the United States can delay cognitive decline for several months in various Alzheimer's stages.

Patient advocacy groups had lobbied vigorously for approval because so few treatments are available for the debilitating condition. Some other drugs in clinical trials are more promising, but they are most likely three or four years away from potential approval.

The F.D.A. advisory committee, along with an independent think

Continued on Page A20



Moving boxes full of ballot tallies in Phoenix in May.

That Arizona Republicans are ignoring that message — and that Republicans in other states are now trying to mount their own Arizona-style audits — raises worrisome questions not just about their strategy, but about its effect on an American democracy facing fundamental threats.

Now in its seventh week, the review of 2.1 million votes in Arizona's most populous county has

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INTERNATIONAL A4-7

Hot, Fresh and Machine-Made

In Rome, a city with countless pizzerias, an entrepreneur is betting on luring diners with novelty and speed. Page A6

For Belfast, a Tense Summer

An awkward Brexit compromise on trade has reignited sectarian passions in Northern Ireland. Page A4

NATIONAL A8-20

At Yale, a Law School Divided

A perplexing dispute centering on the celebrity professor Amy Chua has pitted student against student and professor against professor. Page A16

Democrats Seek Path Forward

President Biden and his party rethink strategy on an ambitious agenda after one of their own closed the door on ending the filibuster. Page A10

Arrest in a 1972 Cold Case

Linked by genetic genealogy, a Minnesota man was charged in the death of Julie Ann Hanson, 15, whose body was found in an Illinois cornfield. Page A20

BUSINESS B1-6

First Mogul to Space

Jeff Bezos plans to be on board when Blue Origin launches its first human spaceflight, outpacing Elon Musk, a rival space entrepreneur. Page B1

Google to Pay Fines in France

The tech giant agreed to pay some \$270 million after French regulators accused it of abusing its dominance. Page B1

SPORTS/TUESDAY B7-10

A Yanks Lineup Too Far Right

The lack of lefty batters has aided a slump and stirred the ire of Alex Rodriguez, Tyler Kepner writes. Page B7



SCIENCE TIMES D1-8

Playing Well With Others

Scientists have created a database that provides insights into a wide range of behaviors among elephants. Page D8

Looking at Your Mind's Eye

Scientists are finding new ways to better understand the links between vision, perception and memory. Page D1

ARTS C1-6

Central Park Concert Planned

Stars are being asked to help celebrate the city's reopening with performances on the Great Lawn in August. Page C1

'Fifty Shades' and Then Some

E.L. James's new book, 'Freed,' continues the somewhat agonizing story line from a male perspective. Page C1

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Michelle Goldberg

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