

# THE WALL STREET JOURNAL.

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Last week: DJIA 39118.86 ▼ 31.47 0.08% NASDAQ 17732.60 ▲ 0.2% STOXX 600 511.42 ▼ 0.7% 10-YR. TREASURY ▼ 22/32, yield 4.342% OIL \$81.54 ▲ \$0.81 EURO \$1.0716 YEN 160.88

## What's News

### Business & Finance

◆ **Prosecutors plan to ask** Boeing to plead guilty to deceiving air-safety regulators about a crucial aspect of the 737 MAX planes implicated in two disastrous crashes, wiping out a more-lenient agreement the company received more than three years ago. **A1**

◆ **Boeing clinched** a deal to buy Spirit AeroSystems, a troubled fuselage maker it split off two decades ago, for \$4.7 billion as the jet manufacturer grapples with production problems. **B1**

◆ **China's manufacturing** sector stayed in contraction for a second consecutive month in June, underscoring the difficulties the world's second-largest economy faced after Beijing's efforts to resuscitate its property sector. **A7**

◆ **Amazon's future growth** from its position as a \$2 trillion company will likely be determined by the billions of dollars it has designated to fund its artificial-intelligence ambitions. **B1**

◆ **WestJet Airlines**, Canada's No. 2 carrier, said it canceled 393 flights from Thursday through Sunday and warned that number could grow after a union representing maintenance engineers went on strike. **B3**

◆ **Reynolds American** entered a regulatory gray area with the launch of its Sensa no-nicotine vaping devices, which resemble the disposable e-cigarettes popular among U.S. teenagers. **B3**

◆ **The cyberattack on** software company CDK Global that hobbled U.S. car dealerships highlighted the risks to industries that rely on just a single vendor. **B4**

### World-Wide

◆ **Top Democratic leaders** and donors urged the party to stick with Biden as their nominee, aiming to quell calls for him to step aside as new polling showed voters wary about his ability to lead after a shaky debate performance last week. **A1**

◆ **Nikki Haley**, the runner-up to Trump in this year's GOP nomination race, said Democrats need to drop Biden as their presumptive nominee as she reiterated her calls for cognitive testing of all federal candidates. **A4**

◆ **Marine Le Pen's** National Rally notched a victory in the first round of parliamentary elections across France, according to projections that showed her far-right party moving a step closer to its goal of winning control of the National Assembly and taking the reins of government. **A1**

◆ **Thousands of** ultra-Orthodox Jewish men protested in the streets of Jerusalem against mandatory military conscription, part of a rekindled debate now roiling the country after Israel's top court ruled that the military must start drafting religious students. **A6**

◆ **Some of the Biden** administration's top domestic priorities, from cracking down on power-plant pollution to bringing back net neutrality, are on shaky legal footing after a Supreme Court decision shifted power away from federal agencies. **A3**

◆ **The monthlong** celebration of LGBTQ Pride reached a grand finale, bringing rainbow-laden revelers to the streets for marquee parades in venues that included New York, Chicago and San Francisco. **A2**

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Marine Le Pen celebrates her far-right National Rally party's victory in the first round of French parliamentary elections.

## Far Right Wins First Round Of French Parliament Election

By NOEMIE BISSEBIE AND STACY MEICHTRY

PARIS—Marine Le Pen's National Rally notched a victory in the first round of parliamentary elections across France on Sunday, according to projections that showed her far-right party moving a step closer to its goal of winning control of the National Assembly and taking the reins of government.

A projection by polling firm Elabe said National Rally and its allies won 33% while the New Popular Front, a coalition

of leftist parties, garnered 29% of ballots. President Emmanuel Macron's pro-business party and its allies were heading for a third-place finish with 22% of the vote, Elabe said.

National Rally is on track to score an unprecedented haul of parliamentary seats when voters return to the ballot box for the July 7 runoff, marking a watershed moment in the history of France's modern Fifth Republic. If National Rally wins a majority in the National Assembly, Macron would face the possibility of sharing power

with the first far-right government since Vichy France during World War II. Macron's presidential term ends in 2027, and he said he won't resign.

Macron placed a massive bet when he called the snap elections, expecting to edge out leftist parties in the first round and force their voters to rally around his party for the runoff as they had in previous national elections. The election, Macron said, would provide France with a means of "clarification" after her forces trounced his in European elec-

tions at the start of June.

Now Macron's calculation appears to have backfired, ushering Le Pen and her allies within striking distance of a 289-seat majority in the National Assembly. That would compel Macron to select a prime minister from Le Pen's ranks as Paris is just weeks away from hosting the Summer Olympics.

On Sunday, Le Pen reveled in the thought of her protégé, 28-year-old Jordan Bardella, running the next government. *Please turn to page A6*

## Biden's Top Allies Urge Party To Stick With Him

Show of support contrasts with private worry after debate performance

WASHINGTON—Top Democratic leaders and donors urged the party on Sunday to stick with President Biden as their nominee, aiming to quell calls for him to step aside as new polling showed voters wary

By Ken Thomas, Siobhan Hughes, Natalie Andrews and Gregory Zuckerman

about his ability to lead after a shaky debate performance last week.

The public show of support for Biden contrasted sharply with private worries among Democratic lawmakers and activists who remain concerned about the president's ability to defeat former President Donald Trump and his ability to serve at age 81. Just over four months from Election Day, Democrats are acknowledging Biden's difficulties while also struggling to formulate any sort of plausible backup plan.

The president, who is 3½ years older than Trump, spent Sunday at Camp David, the presidential retreat in Maryland. *Please turn to page A4*

◆ **'Old and frail': Voters sound alarm.....** A4  
◆ **Down-ballot candidates fret debate may cost them....** A5

## DOJ Seeks Boeing Guilty Plea Connected To Crashes

By DAVE MICHAELS AND SHARON TERLEP

Prosecutors plan to ask Boeing to plead guilty to deceiving air-safety regulators about a crucial aspect of the 737 MAX planes implicated in two disastrous crashes, wiping out a more lenient agreement the company received more than three years ago.

The company will have until the end of the week to accept the guilty plea or opt to fight the fraud-conspiracy charge in court, according to people familiar with the matter. The government isn't willing to negotiate with Boeing and accept a settlement weaker than the terms it proposed, the people said.

Under the guilty-plea agreement outlined Sunday to families of the crash victims, Boeing would have to agree to hire an outside consultant to monitor its compliance with safety regulations. The company also would pay an additional corporate penalty of about \$243 million.

A guilty plea would seal a legal odyssey that had appeared to be resolved in January 2021, when the company admitted two former employees misled the Federal Aviation Administration and prosecutors gave Boeing a form of corporate probation. That earlier deal was upended in May, when prosecutors said Boeing had violated its requirements, exposing itself to the possibility of a criminal trial on a fraud-conspiracy charge.

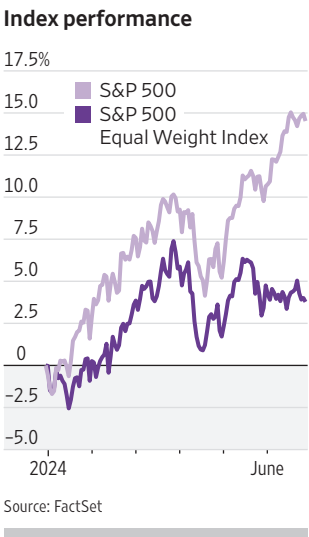
Boeing has said it followed the terms of the 2021 agreement.

A guilty plea would push Boeing to a legal brink that few *Please turn to page A2*

◆ **Boeing set to acquire Spirit for \$4.7 billion.....** B1

## AI Spurs Gap In S&P 500

A handful of big tech stocks are responsible for most of the index's gains. **B1**



## Behind Glitter of Davos, Staff Saw a Toxic Workplace

World Economic Forum faced claims of harassment and bias

By SHALINI RAMACHANDRAN AND KHADEEJA SAFDAR

A few years ago Klaus Schwab, the octogenarian founder of the World Economic Forum, decided the organization needed a youthful makeover.

So he singled out a group of employees over 50 years old and instructed his human-resources chief to get rid of them all, according to people familiar with the matter. This, he explained, would lower the average age of the workforce. The HR chief, a seasoned former World Bank executive named Paolo Gallo, declined, pointing out that there has to be a reasonable explanation for firing somebody, such as poor performance. Not

long after, Schwab fired Gallo.

It wasn't the only example of Schwab engaging in behavior that would violate standard workplace policies of the Forum's leading corporate partners. One episode still making the rounds among staffers is the time in 2017 he tapped a young woman to lead an initiative for startups. She had discovered she was pregnant, and during her first few days on the job went into Schwab's office in Geneva to tell him.

Schwab grew upset that she wouldn't be able to continue working at the same pace, people familiar with the incident said, and told her she wasn't suited for her new lead- *Please turn to page A8*

## Social Media Led Tractor Supply to Exit DEI

By SARAH NASSAUER

The beginning of the end of Tractor Supply's diversity efforts started on June 6.

That afternoon, Robby Starbuck, a former Hollywood director turned conservative activist, posted a message on the social-media platform X saying, "It's time to expose Tractor Supply."

He laid out a string of complaints about stances taken by the company and its leaders, from a warehouse displaying pride flags to the CEO promoting the Covid-19 vaccine.

The company has conservative shoppers who don't agree, he said. "Let's start buying what we can at other places," said Starbuck, who has about half a million followers on X.

The post spread quickly, and within hours executives began discussing how to quash criticism before the controversy was seized on by conservative media.

Three weeks later, Tractor Supply delivered its decision: Diversity, equity and inclusion at the rural chain were over, including related job roles, and so were some of its environ-

mental initiatives and other causes frequently championed by social progressives.

Starbuck, in an interview, said "we definitely proved a model" of blitzing a company with a primarily conservative customer base.

He intends to target other companies soon, he said.

The effectiveness of Star- *Please turn to page A8*

## This Man Traveled 32,000 Miles To Deliver 20 Postcards

Inspired by a 200-year-old tradition, he tracks down recipients. Next stop: Iceland.

By CLARE ANSBERRY

Jonny Beardmore, a naturally friendly guy, has a novel way to meet more people.

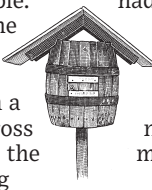
Earlier this year, he loaded up a carry-on bag, left his London home and embarked on a yearlong journey across seven continents with the goal of hand-delivering 50 postcards to their intended recipients. One

was to Steve in Belize from Denise, professing her love.

Unfortunately, by the time Beardmore arrived, the couple had broken up.

"We had a grand time though," he says of spending an afternoon and evening with the now-split couple who remain friends.

Beardmore, a consultant, was inspired by a *Please turn to page A9*



Galápagos mailbox

## INSIDE



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How early should you arrive at the airport? We help you do the math. **A12**



**BUSINESS & FINANCE**  
Lumber prices have tumbled, flashing a caution signal for the housing market. **B1**