



This file photo shows a Kodak slide projector in Philadelphia. (AP)

potential Kodak deal paused until 'allegations are cleared'

A government agency said a potential deal to have Eastman Kodak help make generic drugs is being paused until allegations of insider trading at the once mighty photography company are cleared.

"Recent allegations of wrongdoing raise serious concerns," said the US International Development Finance Corporation in a tweet late Friday. "We will not proceed any further unless these allegations are cleared."

The International Development Finance Corporation did not respond for a request for comment Saturday.

Kodak, which is based in Rochester, New York, declined to comment.

Last month, the International Development Finance Corporation signed a letter of intent to potentially give Kodak a \$765 million loan to help pay for factory changes needed to make pharmaceutical ingredients in short supply in the US.

News of the potential deal sent the company's stock price surging.

But last week, Democratic Senator Elizabeth Warren asked the Securities and Exchange Commission to investigate whether insider

trading laws had been broken, citing "unusual trading activity" before the deal was announced.

The SEC is now in the early stages of a probe, according to The Wall Street Journal, which cited anonymous sources.

The SEC has declined to comment on the report.

On Friday, Kodak announced it was conducting an internal review related to the loan deal.

The loan, which hasn't been finalized, was expected to be used to expand plants in Rochester and St. Paul, Minnesota. (AP)

Business Plus



Many fear their struggling employer will go out of business

Virus causing financial pain even for people still working



Leesa Huddlestone talks about washing dishes and cleaning kitchens at a casino from her home, Aug 3, in Shelbyville, Indiana. Huddlestone returned in June after a three-month furlough caused by the coronavirus. She felt fortunate to no longer be among the roughly 30 million Americans who remain jobless and are now struggling with suddenly reduced unemployment aid. Yet the return of her job hardly ended Huddlestone's financial troubles. Her employer, its revenue shrunken by the loss of customers, cut her schedule to four days a week. (AP)

By Sudhin Thanawala

Getting her job back should have been a relief for Leesa Huddlestone.

A kitchen worker at an Indiana casino, Huddlestone returned in June after a three-month furlough caused by the coronavirus. She felt fortunate to no longer be among the roughly 30 million Americans who remain jobless and are now struggling with suddenly reduced unemployment aid.

Yet the return of her job hardly ended Huddlestone's financial troubles. Her employer, its revenue shrunken by the loss of customers, cut her schedule to four days a week. That meant a \$300 drop in monthly pay — money that, along with overtime, had allowed Huddlestone to afford rent, a car payment and other necessities. Now, she'll have to decide what to stop paying when she runs through her savings.

"I go from day to day," said Huddlestone, 59. "I handle it better some days than others."

Huddlestone belongs to a category of Americans who are largely overlooked at a time when unemployment is high and a critically important \$600-a-week federal jobless benefit has just expired: People who still

have jobs but whose financial struggles have nevertheless escalated in the face of the pandemic.

Some have endured pay cuts or have had their hours slashed. Others have been furloughed temporarily — without pay. Many just feel seized by fear that their job could vanish at any time or that their struggling employer will go out of business.

They are caught in the grip of a pandemic that has pummeled the economy, forcing lockdowns that closed businesses and leaving many people too worried about infection to travel, shop, gather in crowds or eat out — or barred from doing so by states or localities. Yet their predicaments, as much as the wave of layoffs the virus triggered, speak to the dire impact the virus has had on the American labor force.

They don't portend good things for the economy, said Elise Gould, a senior economist at the Economic Policy Institute, a progressive think tank, who notes that anxious consumers, whether they hold a job or not, typically cut back on spending, the primary driver of the economy.

"The insecurity of what has happened to people around them may lead people to save as much as possible," she said. "And that could

decrease spending in the sense that, 'I don't know what happens next.'"

Consider Ellen Boudreau, a 59-year-old bookkeeper in Manchester, New Hampshire. She's become a self-described "miser" since her work hours were reduced after a six-week layoff and her husband, David, a lab technician, had his schedule cut to four days for several months — and then was furloughed every other week in July.

Her husband wants a new television to replace a projection model at their home. Boudreau, though, has pushed back. She's worried, in part, about other expenses, including the possibility of a costly trip to the veterinarian for their 15-year-old Shih Tzu.

"He really wants the TV," she said. "Normally, I wouldn't have thought about it. We don't have the security anymore of a job."

In Atlanta, Sironn Mitchell was forced to dip into his savings to pay for diabetes medication after his work hours, too, were reduced. Mitchell had been trying to re-establish his independence with the help of Homes of Light, a homeless services organization connected to United Way. Then the coronavirus eliminated his part-time office job.

Having initially worked full time with a home-and-office cleaning company this spring, Mitchell, 50, now barely gets even a few hours a week.

"When all this junk took off and they started closing businesses down and I couldn't find work like I wanted to, it put a big impact on me," he said. "And then when you got diabetes and stuff, it's hard to deal with everything at once."

The financial pressures of the still-employed come against the backdrop of a catastrophic toll of layoffs. The number of laid-off Americans who have applied for unemployment benefits has topped 1 million for 20 straight weeks. All told, roughly 30 million people are out of work, the government says.

On Friday, the government said the economy added 1.8 million jobs in July, a pullback from the previous two months' gains and evidence that the resurgent coronavirus is weakening hiring and any economic rebound. The hiring of the past three months has regained barely more than 40% of the jobs lost to the pandemic-induced recession.

The number of Americans who have endured wage cuts or reductions in work hours isn't as defini-

tive. But federal data, combined with economic research, puts the figure at around 11 million. In July, more than 7 million Americans reported that they were working part time because their hours had been cut — far more than the 2.8 million who said so in February — the government said.

And from March through June, businesses reduced the pay of an additional 6.8 million workers, economists at the University of Chicago and the Federal Reserve estimated in a study that relied on data from payroll processor ADP.

Overall, about half of Americans in a poll by The Associated Press-NORC Center for Public Affairs Research released in July say they or someone in their household has lost some income since the pandemic struck. That includes 27% who say someone has been laid off, 33% who report someone has endured a reduction in hours, 24% who say someone has taken unpaid time off and 29% who say someone had wages or salaries reduced.

Typically during recessions, employers have avoided cutting pay for fear of further worsening morale. The pay cuts during this downturn underscore the depth of the economic toll.

Gould, the EPI economist, noted that worker pay had risen meaningfully in the couple of years before the pandemic struck as demand for labor rose in a growing economy. Any gains in bargaining power, though, have likely been lost.

"Workers that have their job now are like, 'I'm going to hold onto this job,'" she said. "I'm not going to do anything to rock the boat. I'm not going to ask for a raise, I'm not going to talk about any hardships."

In the meantime, anxiety about job security has reached a higher pitch for some. Since being furloughed in March and then recalled to work, Steve Ward, a mattress salesman at Macy's flagship store in Manhattan, has seen three of his colleagues let go.

Ward, who has worked at Macy's for 35 years, fears that his job could be next because the pandemic has shrunk the number of customers in his department by roughly half.

"I worry about myself, the future," said Ward, 58, who had hoped to retire at 65. "In the back of my mind, I do think about what retail will look like. What's going to happen to Macy's? This is not going away unless there is a cure."

In Shelbyville, Indiana, Huddlestone's reduced hours have forced her to become even thriftier. A labor union, UNITE HERE!, helped pay her \$734 monthly rent when she was out of work. To meet her expenses now, she dips into the unemployment aid she had received during her furlough. A food pantry helps with groceries. She tucks away half a sandwich or other leftovers from lunch provided by the casino and often eats macaroni and cheese.

Yet she worries that it won't be enough to keep her solvent indefinitely.

"I just pray to God that he helps me through it," she said. (AP)

'The insecurity of what has happened to people around them may lead people to save as much as possible. And that could decrease spending in the sense that, I don't know what happens next'

Sign of growing damage to Huawei's business from American pressure

Smartphone chips running out under US sanctions

BEIJING, Aug 9, (AP): Chinese tech giant Huawei is running out of processor chips to make smartphones due to US sanctions and will be forced to stop production of its own most advanced chips, a company executive says, in a sign of growing damage to Huawei's business from American pressure.

Huawei Technologies Ltd., one of the biggest producers of smartphones and network equipment, is at the center of US-Chinese tension over technology and security. The feud has spread to include the popular Chinese-owned video app TikTok and China-based messaging service WeChat.

Washington cut off Huawei's access to US components and technology including Google's music and other smartphone services last year. Those penalties were tightened in May when the White House barred vendors worldwide from using US technology to produce components for Huawei. Production of Kirin chips designed by Huawei's own engineers will stop Sept. 15 because



In this file photo, man uses his smartphone as he stands near a billboard for Chinese technology firm Huawei at the PT Expo in Beijing. (AP)

they are made by contractors that need US manufacturing technology, said Richard Yu, president of the company's consumer unit. He said Huawei lacks the ability to make its own chips.

"This is a very big loss for us," Yu said Friday at an industry conference, China Info 100, according

to a video recording of his comments posted on multiple websites.

"Unfortunately, in the second round of US sanctions, our chip producers only accepted orders until May 15. Production will close on Sept. 15," Yu said. "This year may be the last generation of Huawei Kirin high-end chips."

More broadly, Huawei's smartphone production has "no chips and no supply," Yu said.

Yu said this year's smartphone sales probably will be lower than 2019's level of 240 million handsets but gave no details. The company didn't immediately respond to questions Saturday.

Huawei, founded in 1987 by a former military engineer, denies accusations it might facilitate Chinese spying. Chinese officials accuse Washington of using national security as an excuse to stop a competitor to US tech industries.

Huawei is a leader among emerging Chinese competitors in telecoms, electric cars, renewable energy and other fields in which the ruling Communist Party hopes China can become a global leader.

Huawei has 180,000 employees and one of the world's biggest research and development budgets at more than \$15 billion a year. But, like most global tech brands, it relies on contractors to manufacture its products.

Earlier, Huawei announced its global sales rose 13.1% over a year ago to 454 billion yuan (\$65 billion) in the first half of 2020. Yu said that was due to strong sales of high-end products but gave no details.

Huawei became the world's top-selling smartphone brand in the three months ending in June, passing rival Samsung for the first time due to strong demand in China, according to Canalys. Sales abroad fell 27% from a year earlier.

Washington also is lobbying European and other allies to exclude Huawei from planned next-generation networks as a security risk.

In other US-Chinese clashes, TikTok's owner, ByteDance Ltd., is under White House pressure to sell the video app. That is due to fears its access to personal information about millions of American users might be a security risk.

On Thursday, President Donald Trump announced a ban on unspecified transactions with TikTok and the Chinese owner of WeChat, a popular messaging service.

'This is a very big loss for us'