



Emily Cunningham, (left), speaks as Kathryn Dellinger, (right), looks on during a news conference following Amazon's annual shareholders meeting in Seattle. (AP)

labor board says Amazon illegally fired outspoken workers

The National Labor Relations Board has found that two outspoken Amazon workers were illegally fired last year. Both employees, Emily Cunningham and Maren Costa, worked at Amazon offices in Seattle and publicly criticized the company, pushing it to do more to reduce its impact on climate change and to better protect warehouse workers from the coronavirus.

Cunningham shared with The Associated Press an email from the NLRB, which said it found that Amazon violated the rights of the two workers. The government agency also confirmed on Monday that it found merit in the case, adding that if Amazon doesn't settle the case a complaint will be filed. After that, a trial could start. The news was first reported by The New York Times.

In a statement, Amazon said it disagreed with the preliminary findings and said it fired the employees for repeatedly violating internal policies, not because they talked publicly about working conditions or sustainability. "We support every employee's right to criticize their employer's working conditions, but that does not come with blanket immunity against our internal policies, all of which are lawful," the Seattle-

based company said. Cunningham said the ruling proves that they were on the right side of history. "Amazon tried to silence us," said Cunningham. "It didn't work." Because of the ruling, Amazon could be forced to offer Cunningham and Costa their jobs back, pay them back pay and reimburse them for expenses related to losing their jobs. (AP)

Market Movements

06-04-2021

	Change	Closing pts		Change	Closing pts
↑ AUSTRALIA - All Ordinaries	+69.71	7,133.91	↓ JAPAN - Nikkei	-392.62	29,696.63
↑ S. KOREA - KRX 100	+12.88	6,741.70	↓ CHINA - Shanghai SE	-1.43	3,482.97
↑ PHILIPPINES - PSEi	+94.96	6,590.11			
↑ INDIA - Sensex	+42.07	49,201.39			
↑ PAKISTAN - KSE 100	+856.49	44,404.70			

Business

Move could make it harder for companies to shift earnings offshore

Yellen calls for minimum global corporate income tax

WASHINGTON, April 6, (AP) — US Treasury Secretary Janet Yellen on Monday urged the adoption of a minimum global corporate income tax, an effort to at least partially offset any disadvantages that might arise from the Biden administration's proposed increase in the US corporate tax rate.

Citing a "30-year race to the bottom" in which countries have slashed corporate tax rates in an effort to attract multinational businesses, Yellen said the Biden administration would work with other advanced economies in the Group of 20 to set a minimum.

"Competitiveness is about more than how US-headquartered companies fare against other companies in global merger and acquisition bids," Yellen said in a virtual speech to the Chicago Council on Global Affairs. "It is about making sure that governments have stable tax systems that raise sufficient revenue to invest in essential public goods."

The speech was Yellen's highest-profile so far on international affairs, and came just as the spring meetings of the World Bank and International Monetary Fund began in a virtual format.

"It is important to work with other countries to end the pressures of tax competition and corporate tax base erosion," Yellen said.

President Joe Biden has proposed hiking the US corporate tax rate to 28% from 21%, partially undoing the Trump administration's cut from 35% in its 2017 tax legislation. Biden also wants to set a minimum US tax on overseas corporate income, and to make it harder for companies to shift earnings offshore. The increase would help pay for the White House's ambitious \$2.3 trillion infrastructure proposal.

Yellen's remarks essentially serve as an endorsement of negotiations that have been underway at the 37-nation Organization for Economic Cooperation and Development for roughly two years, said Alan Auerbach, an economist at the University of California at Berkeley.

Biden's US corporate tax proposal includes an increase to the US mini-



In this file photo, Federal Reserve Chair Janet Yellen speaks during a news conference following the Federal Open Market Committee meeting in Washington. Yellen on Monday, April 5, 2021, urged the adoption of a minimum global corporate income tax, an effort to offset any disadvantages that might arise from the Biden administration's proposed increase in the US corporate tax rate. (AP)

imum tax that was included in Trump's tax law, from 10.5% to 21%. One focus of the OECD talks is whether other countries will adopt similar minimums. Biden's corporate tax measure would also penalize other countries without a minimum corporate tax by more heavily taxing their subsidiaries in the US.

Auerbach said that the OECD has helped foster other agreements around issues such as bank secrecy.

"There is precedent for this sort of

thing," Auerbach said. "But this would be a big deal because it would get countries to coordinate their tax systems in ways they haven't before."

Also on Monday, Biden said he is "not at all" concerned that a higher corporate tax rate would cause some US companies to relocate overseas, though Yellen's proposed global minimum corporate tax is intended to prevent that from happening.

"There's no evidence to that ... that's bizarre," Biden said in response

to a question from reporters.

According to the Tax Foundation, a right-leaning think tank, the Trump administration's corporate tax reduction lowered the US rate from the highest among the OECD countries to the 13th highest. Many analysts have argued, however, that few large US multinationals paid the full tax.

"We have 51 or 52 corporations from the Fortune 500 who haven't paid a single penny a day for three years?" Biden said. "Come on."

Sen. Pat Toomey, R-Penn., said that Yellen's proposal was unlikely to make much progress overseas. He also said Republicans should reverse any corporate tax hike if they regain a congressional majority in upcoming elections.

"Spoiler alert: This effort will likely fail and even if there is some sort of agreement, it will be non-binding because it is not a treaty," Toomey said.

Yellen, meanwhile, downplayed the potential for the Biden administration's domestic agenda, which also

includes a \$1.9 trillion COVID relief package approved last month, to spur higher inflation. Former Treasury Secretary Larry Summers, among others, has raised such concerns since the relief bill passed.

"I strongly doubt that it's going to cause inflationary pressures," Yellen said, referring to the administration's infrastructure proposal. "The problem for a very long time has been inflation that's too low, not inflation that's too high."

Yellen also said the United States will step up its efforts at home and overseas to fight climate change, "after sitting on the sidelines for four years."

Treasury will work to "promote the flow of capital toward climate-aligned investments and away from carbon-intensive investments," Yellen said. That approach has raised the ire of GOP members of Congress, who say it threatens the ability of the US oil and gas industry to access needed lending.

Yellen also noted that many developing nations are lagging in vaccinating their populations, and have also experienced harsh economic consequences from the pandemic. As many as 150 million people worldwide will fall into extreme poverty this year, Yellen said.

"The result will likely be a deeper and longer-lasting crisis, with mounting problems of indebtedness, more entrenched poverty, and growing inequality," Yellen said.

The Biden administration supports the creation of \$650 billion in new lending capacity at the IMF to address such issues, she said. Many Republicans in Congress oppose the new allotment, arguing that much of the funding would flow to relatively better-off developing countries, such as China.

Yellen acknowledged that the additional credit would be distributed to each IMF member, but argued that "significant resources will go to the poorest countries most in need." Nations can also donate some of their funds to the hardest-hit countries, which she expects many will do, she added.

'Serious lessons will be learned'

Credit Suisse sees \$4.7bn charge over fund default

GENEVA, April 6, (AP) — Swiss bank Credit Suisse on Tuesday announced the departure of two top executives and said it expects a one-time charge of 4.4 billion Swiss francs (\$4.7 billion) in connection with a previously announced default of a US hedge fund on margin calls.

The Zurich-based bank said it provisionally expects to report a loss of 900 million francs for the first quarter — though final figures are still being worked out. Credit Suisse said it has suspended a share buyback program and reduced its dividend in the wake of the default.

"The significant loss in our prime services business relating to the failure of a US-based hedge fund is unacceptable," CEO Thomas Gottstein said. "Serious lessons will be learned."

The bank said it has launched two investigations "to be carried

out by external parties," and said Brian Chin, the head of Credit Suisse's investment bank, and chief compliance and risk officer Lara Warner will leave the bank.

Credit Suisse didn't identify the hedge fund or the other banks affected, or give other details of what happened. News reports identified the hedge fund as New York-based Archegos Capital Management, whose default also ensnared Japan's Nomura.

The Financial Times reported last month that Archegos had large exposures to ViacomCBS and some Chinese technology stocks and was hit hard after a drop in shares of the US media group in March.

A margin call is triggered when investors borrow using their stock portfolio as collateral and have to make up the balance required by banks when the share prices fall and the collateral is worth less.

US services surge to 'record' high in March, survey shows

Easing of restrictions pent-up consumer demand



In this file photo, waiter Jose Bravo (center), delivers food for Alberto Castaneda (left), and his wife, Esther, at Picos restaurant in Houston. The Institute for Supply Management, an association of purchasing managers, reported on April 5 that the US services sector, which employs most Americans, recorded record growth in March as orders, hiring and prices all surged. (AP)

WASHINGTON, April 6, (AP) — The U.S. services sector, which employs most Americans, recorded record growth in March as the easing of coronavirus restrictions released pent-up consumer demand.

The Institute for Supply Management, an association of purchasing managers, reported Monday that its nonmanufacturing index rose to an all-time high 63.7 last month from 55.3 in February. The old record of 60.9 was set in October 2018.

New orders also hit a record, and hiring and prices grew faster.

Anything above 50 signals growth, and the services sector is on a 10-month winning streak since rebounding from the economic impact of the pandemic last spring. The March reading was much higher than economists had expected. The rollout of vaccines is encouraging Americans to return to normal life - shopping and eating out - and President Joe Biden's \$1.9 trillion economic rescue plan is also likely to stimulate demand for services and juice economic growth.

"All the right pieces for a faster services recovery - expanded vaccine eligibility, reopenings, and historic fiscal expansion - are falling into place," economists Oren Klachkin and Gregory Daco of Oxford Economics wrote in a research note.

Although debate on economic policy often focuses on manufacturing, services - such as banks, retailers and restaurants - account for 71% of all U.S. jobs and 83% of private jobs.

US consumer watchdog eyes rules to prevent foreclosures

LOS ANGELES, April 6, (AP) — The Consumer Financial Protection Bureau said Monday it is considering new rules aimed at averting a wave of foreclosures later this year when millions of homeowners are no longer allowed to put off making their mortgage payments.

Last year, the federal government suspended foreclosures and evictions for mortgages insured by the Federal Housing Administration as the coronavirus pandemic left millions of people unemployed. Fannie Mae and Freddie Mac did the same for borrowers in single-family homes with loans backed by the two mortgage buyers. The initiatives offered borrowers relief for up to one year and suspended late charges and penalties.

As of February, nearly 3 million U.S. homeowners were behind on their home loans, with about 2.1 million mortgages in forbearance and at least

90 days late, according to the CFPB. If current trends continue, there still may be 1.7 million such loans by September, the CFPB said.

One rule proposed by the agency would prohibit mortgage servicers from starting the foreclosure process before Dec. 31. The CFPB is also considering whether to permit servicers to initiate foreclosures before the end of this year, in certain cases, such as if they've made efforts to contact an unresponsive borrower.

The CFPB is also weighing a rule that would allow servicers to offer "certain streamlined loan modification options" to borrowers with hardships caused by the pandemic, and changes to ensure servicers are notifying borrowers of their options in a timely basis. The agency is seeking public input on its proposed rule changes through May 11.

Stores in Greece open amid virus surge

ATHENS, Greece, April 6, (AP) — Retail stores across most of Greece were allowed to reopen Monday despite an ongoing surge in COVID-19 infections, as the country battles to emerge from deep recession.

Stores in greater Athens opened for pickup services only but remain closed in Greece's second- and third-largest cities, Thessaloniki and Patras, because of fears of a more serious spike in infections.

Lockdown measures have been in force since early November, although shops opened briefly around the

Christmas holiday season. The prolonged closures piled pressure on the economy.

Greek economic output shrank by 8.2% in 2020 while the national debt as a percentage of gross domestic product shot over 200%. About 16% of the country's residents have received at least one dose of the coronavirus vaccination but infection rates continue to rise. "Opening retail businesses ... will provide a decompression valve for our society and will help improve the implementation of (restrictive) measures," government spokeswoman Aristotelia Peloni said.