

## FRENCH SOCIALISTS RISK MELTDOWN IN STRICKEN STEEL BELT

**FLORANGE:** Towering above the Moselle valley in northeast France are two rusting testaments to the dashed hopes of Francois Hollande's presidency that loom large over the election of his successor next year. Five years after steel giant ArcelorMittal snuffed out the last two blast furnaces in a crucible of France's heavy industry, the workers who fought to save their beloved "cathedrals", as they call them, are still seething. Lakshmi Mittal, the Indian billionaire owner of the sprawling steelworks that runs between the towns of Florange and Hayange, is the target of much of their ire. But the ruling Socialists are also feeling the heat. They are accused of betraying voters who elected Hollande on a promise to tame capitalism and keep the Florange fires burning.

"I will never again vote Socialist. Never. It's over," said Lionel Burriello, a 39-year-old mechanic, who followed his Italian immigrant father into the steel mills. "It was a shit job, toiling in the heat and the dust. But we took pride in it," said the trade unionist, one of the 629 workers who were moved to jobs in the site's rolling mills or pensioned off under a 2012 compromise brokered by the government. For Olivier Weber, another son of the valley who carried out the last smelting operation in October 2011, the loss of the hot steel mills robbed the region of a key marker of its identity. "Seeing the furnaces is like seeing

the graves of relatives in the cemetery. It's painful," the 35-year-old said.

The deindustrialization that fuelled Brexit and Donald Trump's rise to the White House has created fertile ground for far-right leader Marine Le Pen, who is hoping to pull off a similar upset in the April-May election on a protectionist platform. More than 1.5 million manufacturing jobs have been lost in France in the past 25 years, with some of the country's best-known manufacturers like Peugeot and TGV high-speed train maker Alstom among those requiring a leg-up recently from the state. Situated at the crossroads between France, Belgium, Luxembourg and Germany, the Lorraine region where the Moselle valley is situated has kept afloat thanks to a broad manufacturing mix.

But the signs of decline sparked by the crisis in Europe's steel sector, which claimed a steelworks in Gandrange in 2008, are starting to stack up. "It's becoming a wasteland here," said Gabriele Mariotti, the owner of a cafe on the main street of Hayange, a grey town at the foot of the blast furnaces.

"The gold in this valley was steel. Now there's nothing left. They sent it all overseas," said Fernand, a scrap metal dealer and FN supporter whose son was among hundreds of people laid off from ArcelorMittal subcontractors in the past five years. In 2014, Hayange made head-



**HAYANGE:** Photo shows blast furnaces of steel giant ArcelorMittal at the Florange site, in Hayange, eastern France. — AFP

lines when it dumped its longtime Socialist mayor for a young gun from Le Pen's National Front (FN). Trade unionist Frederic Weber fears the FN could spring a similar surprise in the presidential election, which polls show ending in a duel between Le Pen and Francois Fillon, a Thatcherite conservative. "People here are lost," says Weber. "They tell us they will either not vote at all or vote FN."

On a visit to Florange in October Hollande defended the five-year commit-

ment he secured from ArcelorMittal in 2012 to preserve jobs and plough 180 million euros (\$193 million) into the area in return for the mothballing of the furnaces. "The battle was won," Hollande declared - an assessment contested by the workers, who resent him for overriding former economy minister Arnaud Montebourg's proposal to temporarily nationalize the site. Last week, Hollande announced he would not stand for re-election, paving the way for his prime minister, Manuel Valls, to

throw his hat in the ring. "Whether it's Hollande or Valls, it's the same thing. It's just a change of packaging," Weber said.

**Globalisation's losers**  
Local Socialist lawmaker Michel Liebott accuses "Made in France" champion Montebourg - who is also running for the party's presidential nomination - of perpetuating "a romantic vision of the working class that no longer exists." "In today's factories, people are sitting at computers," Liebott argues, calling for greater investment in training people to work in high-tech plants.  
Burriello, who is running for parliament next year on a hard-left list, said voters drawn to populist candidates faced a choice between two "us-versus-them" programs. "With the National Front, it's us versus contract workers from other European countries. With the far left, it's us versus the financial oligarchy." The opportunities and pitfalls of Europe's open borders are on daily display in Lorraine, where 90,000 skilled workers commute across the border each day to Luxembourg for better wages, while the unskilled eke out a living at home. It's a politically toxic cocktail for Liebott, whose 20-year parliamentary career could be in jeopardy if he stands again in the general election in June. "I'd be happy to make it to the second round," he says. — AFP

## TRUMP INTERJECTS HIMSELF IN AIR FORCE ONE AND BUSINESS DEALS

**FAYETTEVILLE:** President-elect Donald Trump, a political newcomer who touts his corporate skills, turned businessman-in-chief Tuesday, first demanding the government cancel a multibillion-dollar order for new presidential planes and then hailing a Japanese company's commitment to invest billions in the US. "We will defend American jobs. We have to look at it almost like a war," Trump thundered in North Carolina, vowing to keep companies from moving overseas during the second stop of his "thank you" tour to salute his supporters. "We want the next generation of innovation and production to happen right here in America."

Trump was far less bombastic than during the tour's kickoff in Ohio last week, striking more of the healing notes traditionally delivered by a president-to-be in the weeks after a bruising election. He will travel to Ohio State University on Thursday to meet with some of the victims of the recent car-and-knife attack that left 11 people injured, according to a person familiar with the plans but not authorized to discuss them before they are announced. "We will heal our divisions and unify our country. When Americans are unified there is nothing we cannot do - nothing!" Trump told the crowd in Fayetteville. "I'm asking you to dream big again as Americans. I'm asking you to believe in yourselves."

The Republican businessman largely stuck to the script Tuesday - and, in a change, even stopped the crowd when it started to boo the media - and avoided some of the score-settling and scorched-earth rhetoric that defined his campaign and was present again last week in Cincinnati. He also repeated his vow to fortify the nation's military and brought Marine Gen James Mattis on stage, officially naming his choice to be Defense Secretary after teasing it last week.

### Boeing's stock drops

Earlier in the day, Trump plainly telegraphed that when he takes office in six weeks he'll take an interventionist role in the nation's economy - as well as play showman when he sees a chance. The celebrity businessman's declaration about Air Force One caused manufacturer Boeing's stock to drop temporarily and raised fresh questions about how his administration - not to mention his Twitter volleys could affect the economy. "The plane is totally out of control," Trump told reporters in the lobby of Trump Tower. "I think Boeing is doing a little bit of a number. We want Boeing to make a lot of money, but not that much money." Earlier he had tweeted that the deal's costs were "out of control, more than \$4 billion. Cancel order!"

Not long after his first appearance, Trump returned to the lobby with Masayoshi Son, the CEO of SoftBank, a massive telecommunications company that counts Sprint among its holdings. Trump pointed proudly to Son's commitment to invest \$50 billion in the United States, which Trump said could create 50,000 jobs. Trump - who also tweeted the deal - shook Son's hand and posed for photos, revealing as he had last week when he toured a Carrier plant in Indiana where he said he had instigated an agreement that will preserve about 1,000 jobs the appliance maker had planned to move to Mexico. Details of the deal were scarce and it was unclear if the money

was part of a fund of up to \$100 billion in global technology investments that SoftBank and the government of Saudi Arabia announced in October. As for Air Force One, the government has agreed that Boeing will build two new planes, which would go into service around 2024. That means Trump might never fly on the aircraft, which carry US presidents around the globe. The Air Force has pressed for a faster schedule, saying the aging current Boeing 747s are becoming too expensive to repair and keep in good flying shape. The overall deal for researching, developing and building new planes was to be about \$3 billion, but costs have been reported to be rising.

The General Accountability Office estimated in March that about \$2 billion of the total - for work between 2010 and 2020 - was for research and development on complex systems, not for building the actual aircraft. The inflated \$4 billion figure Trump cited appears to include operation and maintenance as well. Boeing responded to Trump Tuesday in a statement: "We are currently under contract for \$170 million to help determine the capabilities of these complex military aircraft that serve the unique requirements of the president of the United States. We look forward to working with the US Air Force on subsequent phases of the program allowing us to deliver the best planes for the president at the best value for the American taxpayer."

### Cancel order!

The \$170 million figure is just for a portion of the research and development efforts. Trump began his onslaught against Boeing at 8:52 am, tweeting "Boeing is building a brand new 747 Air Force One for future presidents, but costs are out of control, more than \$4 billion. Cancel order!" That tweet came 22 minutes after The Chicago Tribune posted a story in which the Boeing CEO voiced concerns about Trump's views on trade.

The president-elect then descended to the lobby of the Manhattan skyscraper that bears his name to reiterate his case. Trump had tweeted in 2013 that he owned Boeing stock, but a spokesman said Tuesday he sold all of his stock holdings in June. That sale was not publicized by the campaign at the time, and aides did not reveal how much cash it might have generated. If Trump had held onto his stock portfolio, he would have been required to repeatedly file reports with the US Office of Government Ethics. A 2012 update of the Ethics in Government Act obliges presidents and other senior government officials to report such transactions.

Trump now uses his own plane, a Boeing 757, which he has outfitted with white leather and gold, a large flat-screen television and a bedroom. But as president it is expected that he would travel aboard the Air Force jet, which is equipped with special safety, defensive and communications equipment. Air Force One also has seating for reporters; Trump generally does not allow the press on his own plane. Later this week, Trump will use that plane to travel to rallies in Iowa and Michigan. And on Saturday, Trump will attend the 117th annual Army-Navy football game. The game between the two military academies often draws the commander in chief; both Barack Obama and George W. Bush have attended in recent years. — AP



**NEW YORK:** President-elect Donald Trump, accompanied by SoftBank CEO Masayoshi Son, speaks to members of the media at Trump Tower in New York on Tuesday, Dec 6, 2016. — AP

## TRUMP WOOS ASIAN FIRMS

### SOFTBANK'S SON PLEDGES \$50 BILLION

**NEW YORK:** Two of Asia's biggest technology companies said they were looking to expand investment in the United States, as President-elect Donald Trump pushes to bring manufacturing and jobs back home. Billionaire businessman Masayoshi Son, also the head of Japan's SoftBank Group Corp, pledged a \$50 billion investment in the United States, and Apple Inc supplier Foxconn said it was in preliminary discussions to expand its US operations.

Son said on Tuesday, after meeting Trump, his investment would create 50,000 new jobs, a move the US President-elect claimed was a direct result of his election win. The investment pledge revived speculation that US telecoms giant Sprint Corp, 82 percent owned by SoftBank, might rekindle merger talks with T-Mobile US Inc that died under pressure from US regulators. The lack of details on the investment timetable also prompted doubts on whether the promise of money and jobs will be met, as Sprint is slashing staff numbers to cut more than \$2 billion in costs this fiscal year.

Trump's moves since the election to engage with individual companies, while turning his back on broader, years-in-the-works trade deals, show that he is leaning on the deal-making skills he honed in the boardroom. Trump campaigned against the over-regulation of business and is expected to be more open to mergers than President Barack Obama. The \$50 billion investment, announced jointly by Trump and Son in the lobby of the Trump Tower in Manhattan, would come from the \$100 billion tech investment fund the head of SoftBank is setting up with Saudi Arabia's sovereign-wealth fund and other potential partners, according to the Wall Street Journal.

"Ladies and gentlemen, this is Masa from SoftBank of Japan, and he's just agreed to invest \$50 billion in the United States and 50,000 jobs," Trump said. "He would never do this had we (Trump) not won the election!" Trump later tweeted. Son, who wore a red tie and red sweater under his suit jacket, told reporters his company, a \$68 billion telecommunications and tech investment behemoth, would create the jobs by investing in startup companies. He also said he expected a lot of "deregulation" under a Trump administration. Trump and Son did not give a timeline for the investment. Trump's four-year term will begin after his Jan. 20 inauguration.

Son's business partner Foxconn issued a brief statement after a report by broadcaster CNBC showing a snapshot of a page held by Son outlining the investment carrying the logos of SoftBank and the Taiwanese firm, formally known as Hon Hai Precision Industry Co. "While the scope of the potential investment has not

been determined, we will announce the details of any plans following the completion of direct discussions between our leadership and the relevant US officials," the Foxconn statement said. Son and Foxconn founder Terry Gou are considered close and have several business ventures together, including launching humanoid Pepper - which is manufactured by Foxconn - into several markets, and investing jointly in India.

### Shares surge

In October, prior to the election, SoftBank said Saudi Arabia's Public Investment Fund (PIF) would be the lead partner in the \$100 billion tech fund and could invest up to \$45 billion over the next five years. SoftBank expects to put in at least \$25 billion. Shares in SoftBank jumped 6.2 percent yesterday in Tokyo to their highest since August last year. "Now the market sees SoftBank as a Trump-related stock and that's because it reacted favorably to their meeting," said Fumio Matsumoto, a fund manager at Dalton Capital in Japan.

Son had hoped to merge Sprint with T-Mobile US to take on US market leaders AT&T Inc and Verizon Communications Inc. Shares of Sprint

briefly reached their highest level in 2-1/2 years, soon after Son's comments. They closed up 1.5 percent, while shares of T-Mobile US rose 1.8 percent. It was not immediately clear how much of SoftBank's investment had been disclosed before. SoftBank said on Nov 7, the day before the US election, it planned to make future large-scale investments via the \$100 billion fund, rather than on its own, to avoid growing already-bloated debt. Whether or not Trump's election led to SoftBank's planned investment, the billionaire's victory has been a boon to stock investors. The Dow Jones industrial average closed at another record level on Tuesday, its 11th new high since the Nov 8 vote. Should the SoftBank fund grow as large as \$100 billion, it would be one of the world's largest private equity investors and a potential kingpin in the technology sector. SoftBank, a diverse firm that also holds stakes in Chinese e-commerce giant Alibaba, has been stepping up investment in new areas, as Son aims to make the firm the "Berkshire Hathaway of the tech industry". It purchased UK chip design firm Arm Holdings for \$32 billion this year in Japan's largest ever outbound deal. — Reuters

## TRUMP MISSES TARGET WITH CHINA ONSLAUGHT: EXPERTS

**BEIJING:** US President-elect Donald Trump accuses China of keeping its yuan currency artificially low and slapping unfair taxes on American exports. However, analysts say Beijing is in fact struggling to prop up the yuan as capital flows out of China's flagging economy in search of better investments in the United States. "Did China ask us if it was OK to devalue their currency (making it hard for our companies to compete), heavily tax our products going into their country (the US doesn't tax them)?" Trump wrote Sunday in a Twitter outburst. "I don't think so!"

### Close controls

China keeps close controls on its currency, allowing it to fluctuate within a two percent margin from a point fixed by the central bank each day. And its value has been steadily dropping for over a year. The yuan, also known as the renminbi, is currently at an eight-year low of 6.89 to the dollar. Yet the evidence suggests the currency is over, not under, valued. On August 2015, the People's Bank of China announced a surprise five percent devaluation of the yuan. Since then, the currency has fallen another six percent.

The initial devaluation, Beijing said, was intended to make the yuan trade closer to its market value as the country lobbied to have the unit join the International Monetary Fund's elite basket of currencies. Not help exporters, as Trump claims.

But downward pressure proved to be stronger than expected, and since that time the PBOC has been scrambling to prop it up. China is hemorrhaging foreign currency reserves. Data released on Wednesday show they plunged by \$69 billion in November alone. China has spent that money on buying back its own currency, analysts say, in an effort to keep the yuan's value artificially higher.

China prefers to see 'the yuan strengthen, or at least be stable', to avoid volatility that compromises the currency's evolving internationalisation, Credit Agricole analyst Dariusz Kowalczyk said.

Meanwhile, the US dollar is soaring on expectations Trump will embark on an infrastructure spending spree that would fan inflation and force the Federal Reserve to hike interest rates. That expectation is fuelling demand for US assets causing capital to flee China and other emerging markets. — AFP



**FLORIDA:** Air Force One is seen on the tarmac at Andrews Air Force Base, Md Tuesday, Dec 6, 2016, before President Barack Obama boards en route to MacDill Air Force Base in Tampa, Fla. President-elect Donald Trump wants the government's contract for a new Air Force One canceled. — AP