

Caterpillar, Apple among big names hit by trade war

By DAMIAN J. TROISE
Associated Press

NEW YORK — Companies making everything from computers to construction cranes are seeing their profits hurt as the United States' trade war with China causes the world's second largest economy to slow.

Apple is selling fewer iPhones in China and Caterpillar fewer bulldozers. Nvidia, a maker of graphics chips for video game consoles, reported a drop in its revenue.

Intel and 3M are among the other big-name companies who've recently blamed circumstances in China for their worsening financial outlooks.

More broadly, any companies making the majority of their revenue outside the U.S. fared worse on earnings and revenue growth during the fourth quarter. They'll likely see further falls this year.

China's economy grew at the weakest annual rate last year since 1990. Demand for Chinese exports faded last



AP Photo/Andy Wong

Women are reflected on an advertisement for Apple's MacBook computer on display near a shopping mall in Beijing. Companies making everything from computers to construction cranes are seeing their profits hurt as the United States' trade war with China causes the world's second largest economy to slow.

year and the International Monetary Fund expects China's growth to weaken further in 2019.

Much of the current trade uncertainty hinges on a deadline, just over a week

away, that could see the U.S. hike its tariff on \$200 billion worth of Chinese goods from 10 percent to 25 percent on March 2.

President Donald Trump imposed the penalties last

year over complaints Beijing steals or pressures foreign companies to hand over technology. Beijing retaliated with higher duties on U.S. goods and told its importers to find other sup-

pliers. That led to a 40 percent drop in Chinese imports of American goods in January.

The dispute has already raised costs of goods for companies and consumers. An escalation of the trade fight would ripple through the global economy, said Mark Schofield, managing director at Citi Research.

Citi's base case for an immediate resolution involves a preliminary trade deal that would likely keep tariffs, and uncertainty in place. At worst, an escalation adds costs to companies and more volatility to the market, he said.

The two sides are meeting for talks today and Friday in Washington, and Trump says he might be willing to push back the March 2 date if the talks go well.

Even if a deal is struck, the broader retraction in China's economy will still be an issue.

Caterpillar was among the first companies to sound the alarm. Its fourth-quarter results fell well short of

forecasts and the Deerfield, Illinois-based company warned investors that sales in China will be flat in 2019 after two years of growth. Caterpillar gets between 10 percent and 15 percent of its construction industry sales there.

Apple warned investors about a slowdown in iPhone and other product sales in China as earnings season began. Nvidia blamed "deteriorating macroeconomic conditions" in China for a drop in revenue.

Chipmaker Intel cited lower demand in China and industrial conglomerate 3M cited weak sales for several of its units.

While optimism over a trade deal seems to be the sentiment on Wall Street, investors may fare better by just holding out for a clearer view.

"Nobody knows what's going to come," said Mark Stoekle, CEO and portfolio manager of Adams Funds. "Investors are better served by waiting for data and facts."

Boat: Marina is a Coast Guard drop-off for stranded vessels

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"We're stuck with the boat from there," Glenn said.

Since 2012, Glenn recalled it happening at least twice.

More often, the marina is a drop-off for the Coast Guard, which brings vessels stranded at sea with mechanical issues to port, and sometimes it becomes a burden.

"It gets tied up at our dock and we have to rely on the boat owner to deal with it responsibly from there and sometimes they're not responsible and the boat is in bad shape, then we have to deal with it," Glenn said.

Sometimes seemingly sound boats will sink for no apparent reason, despite the port staff's proactive measures. The last boat to sink in the marina was the Aries, a sailboat, in January.

Glenn recalled a few



Luke Whittaker/Chinook Observer

Julio Ojeda in front of the Miss Jess, a 39-foot sailboat he won on a \$100 bid at the boat auction at the Port of Ilwaco.

close calls. On a couple of occasions, port staff pumped boats that had begun to take water, essentially saving them from the

same fate as the Aries. "It's an ongoing thing," Glenn said.

One of the most notable vessels to sink at the port

was the Lihue II in November 2017. The 61-foot, pre-World War II-era boat created a colossal contamination concern requiring a

concerted cleanup involving the Coast Guard and the state Department of Ecology.

Once a boat owner becomes delinquent in paying moorage, costs can quickly inflate as accounts are transferred from an annual fee to costlier monthly rates. The accumulated bill sometimes exceeds the value of the vessel.

Seizing the boat is considered a last step.

"We don't want to go after people through the seizure process for outstanding bills unless it's absolutely needed," Glenn said.

On Wednesday, a public auction was held at the Port of Ilwaco that included boats that were part of the seizure process. The auctions are typically held once or twice a year, depending on the number of boats. The auctions serve as a final attempt for the port

to redeem cash and a last opportunity for a second life for the vessels.

"We basically have to take custody of the boats if they don't sell, then we can move on to destroying them or trying to resell," Glenn said.

The boats up for auction included:

- a 1969 51-foot steel commercial fishing vessel named the Annie Marie
- a 1994 39-foot sailboat named the Miss Jess
- a 1975 28-foot fiberglass vessel named Y Knot
- a 1977 36-foot fiberglass vessel named Billy I

The delinquent bills ranged from \$5,000 to more than \$18,000.

"It could be that the boats are aging and the people don't have the means to take care of it, personal health issues or a change of ownership," Glenn said.

"Every boat is a different story."

Pier: 'This is the minimum rating for a bridge to remain in service'

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But an inspection late last year found 48 bents "with minimal or no bearing under the timber posts or on top of the timber piles," Johnson wrote.

"Due to the deteriorated condition of this bridge, with each major portion of the bridge being in 'serious' condition, we recommend the bridge be posted again at 3 tons for all vehicles," he wrote. "This is the minimum rating for a bridge to remain in service."

Along with the East Mooring Basin causeway, the issues on the east side of Pier 2 are compounded by

the deteriorating dock on the west side. The Port has estimated \$7 million to fix problems throughout Pier 2.

The Port had received a \$1.5 million grant in 2016 from the state's Connect Oregon infrastructure improvement program to repair about 30,000 square feet of dock on the west side of Pier 2.

But after December 2015 storms left damage throughout the central waterfront, the Port attempted to use the state grant instead as a local match on a larger pot of relief money it has unsuccessfully sought from the Federal Emergency Man-

agement Agency.

Knight has blamed delays with FEMA for why he decided to return the state grant money. He was not immediately available for comment Wednesday.

At the meeting Tuesday, Hunsinger ran through a list of complaints about Knight's past actions and unsuccessfully attempted to have the Port Commission schedule a special meeting to review his employment.

"Sometimes when you have a basketball team failing, you replace the coach," he said.

Commissioner President Frank Spence, a stal-

wart supporter of Knight, declined Hunsinger's request, saying Knight has a contract and deserves due process.

Commissioner Robert Stevens said that while Hunsinger makes good points, he weakens them with character assassination against Knight and the Port staff.

"We've got to pull ourselves out of this hole, and we're going to do it with staff," he said.

Commissioner Dirk Rohne concurred with Stevens. Commissioner James Campbell had left the meeting by the point of the exchange over Knight.



Edward Stratton/The Daily Astorian

The Port of Astoria has cordoned off part of Pier 2, which the state has recommended be held to a 3-ton weight limit because of a rotting substructure.

Center: Group has yet to apply for tax-exempt status

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with the community," Moffett said.

The group has yet to apply for tax-exempt status or establish a formal board of directors.

Members include representatives from social service organizations, including Clatsop Behavioral Healthcare and Clatsop Community Action, as well as Columbia Memorial Hospital in Astoria.

Erin Clausen, of Filling Empty Bellies, a nonprofit that provides lunch to anyone in need and offers other services to the homeless in Astoria, is involved with the group, along with Vernon Hall, a homeless advocate who was formerly homeless and served on the Filling Empty Bellies board.

Last year, Filling Empty Bellies made some headway toward opening a drop-in center, even partnering with

an employment agency to lease property off state Highway 202.

But the nonprofit later learned the property owners faced foreclosure from Clatsop County for unpaid property taxes, throwing the future of the site in question. Plans to open the center stalled and, ultimately, did not proceed.

Moffett and Bowers' group still has a long way to go. It will need to develop a business plan and secure formal commitments from partner agencies and social service organizations. They have yet to find a building and will need to consider fundraising strategies.

Moffett and Bowers have spoken to the city about where, and in what kinds of zones, a drop-in center could be located. There appear to be options in two types of commercial zones for a public access-type facility.

"Before we do any of

those things, however, we need to ensure that there is support in the community," Moffett said.

Moffett and Bowers have expressed frustration with some of the city's decisions regarding the homeless — in particular a sweep of camps in the woods last year — and wanted to see the task force take on more concrete projects.

Former Mayor Arline LaMear has said a drop-in center is critical in addressing homelessness and it was something she would have liked to see established during her time as mayor. But she and other city leaders were doubtful that city resources could create and maintain a facility.

However, LaMear did believe the city could play an important role in supporting and advocating for the efforts of a group or organization interested in opening a drop-in center.

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