

Deep economic downturns just natural cycle

There may be no worse idea at the wrong time in our nation's economic history than the notion of bailouts for the financial and automobile industries.

Doing this is like putting a Band-Aid on a severed artery. It means more of the same. The CEOs keep their bonuses. The boards of directors keep snoozing at the wheel.

This country needs a cleansing. There are bad companies with bad management that have bad products and services that need to go bankrupt.

I don't believe a comprehensive "fix" can be accomplished in 12 to 14 months. We likely are looking at a five- to 14-year turnaround.

The world economic situation is part of the natural rhythmic cycle. This is how nature works; the caribou herd migrates, and geese go south for the winter. Man's economic system back to the 12th



BUSINESS VIEWPOINT

Dr. R. Henry Migliore

century follows a pattern.

Nikolai Kondratieff, a Russian economist who died in 1938, picked up on this and created a theory about regular "waves," or ups and downs.

Looking at history, there have been nine depressions — spaced about 60 years apart — since the 16th century. The waves in the United States have been 57, 54, and 53 years apart with the depressions of 1836-43, 1893-97, and 1929-42, according to a recent report in The Wall Street Journal.

So, here we are 66 years later with the predictable economic crisis — yet one that few economists or political advisers have spoken about as a cyclic phenomenon.

President-elect Barack Obama has the rare opportunity to get the United States back on track. Part of what he needs to do is focus on the long term.

With our nation in its 238th year and Canada at 187 years, we are very low on the learning curve. China and Italy have existed for thousands of years. These societies and others have adapted to change and become stronger world powers.

The Soviet Union broke up. Now Russia is emerging again as an economic and military power. I have worked as a consultant and visiting professor in China and Russia. People there are bright, calculating and have a mindset to look at the future.

Our North American mindset, in contrast, has been short-term, with the thought to only what's just around the corner.

Another issue facing the new administration is the danger of losing our moral compass. The United States has been drifting off the course of the founding fathers. At one time the Roman and British empires ruled the world. Moral decline, far-reaching imperialism and attempted excessive economic expansion brought both to their knees.

Along with our continuing economic troubles, the U.S. faces other challenges. We are involved in a costly, long-term military commitment. The Iraq and Afghanistan conflicts seem destined to go on for decades. And, we have no well-thought-out energy policy.

The recession actually may be a good thing. At the time our forefathers established the United States,

free enterprise was simple: If you won't work and contribute, you don't eat. Families took care of each other. Now, we expect the government to take care of everything from birth to the grave.

A return to some of those basics would not hurt.

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The views expressed here are those of the author and not the Tulsa World. To inquire about writing a Business Viewpoint column, e-mail a short outline of the article to Business Editor John Stancavage at john.stancavage@tulsaworld.com. The column should focus on a business trend or outlook, or discuss other topics of interest. Articles should not promote the writer's business or be overly political in nature.

Pratt & Whitney lays off 350 employees

Most of the jet engine maker's job cuts will be in Connecticut.

EAST HARTFORD, Conn. (AP) — Jet engine maker Pratt & Whitney laid off about 350 salaried employees across the country on Wednesday in response to a slowing global economy, with most of the cuts coming in Connecticut.

The job cuts will affect less than 1 percent of the company's work force of more than 38,000 employees, and will take effect immediately, Jennifer Whitlow, a spokeswoman said.

Pratt & Whitney, a subsidiary of United Technologies Corp., supplies both military and commercial jet engines for products such as Boeing Co.'s 747 and 777, as well as the Airbus A300, among many others.

It also builds engines for Lockheed Martin Corp.'s F-22 fighter jet and the F-35 Joint Strike Fighter.

About 280 of the layoffs will occur at the company's Connecticut operations. The remaining 70 will affect employees in 12 other states including Maine and Texas. Those cuts will affect a myriad of salaried positions including administrative assistants, engineers and accountants, Whitlow said.

The decision is intended to keep the company's cost structure competitive as worsening economic conditions continue to negatively affect the aerospace industry.

"The economy has without a doubt impacted the global aerospace market," said Whitlow. "Airlines are looking to reduce cost structure and we are part of that value



An engineer maintains a Rolls-Royce Trent 800 jet engine, a rival to Pratt & Whitney products, which powers the Boeing 777 aircraft. Rolls-Royce via Bloomberg News

chain."

Several U.S. airlines, including Delta Air Lines Inc., have promised or hinted they will cut domestic and international capacity further in 2009. On Tuesday, Delta, the world's biggest carrier, suggested more job cuts could be on the way as it disclosed it would reduce consolidated system capacity by 6 percent to 8 percent in 2009, compared with the current year.

In October, United Airlines, the nation's third-largest carrier, also said it expects its overall capacity to shrink 8 percent to 9 percent during 2009.

Earlier this year, United Technologies Chief Financial Officer Gregory Hayes told analysts, he expected the slowing global economies and the credit crisis to have an impact on business operations in 2009. Among those

areas likely to be hurt included Pratt's aerospace parts and servicing markets.

Outside of job cuts, Pratt has taken other additional cost-cutting measures, including restricting hires to critical positions and working with suppliers to trim expenses.

Shares of Hartford, Conn.-based United Technologies rose \$1.27, or 2.7 percent, to \$47.32.

Vroom your way to savings on vacation

Dear Action Line: We have an annual argument on whether to fly to Orlando for Christmas and pay to rent an economy car or a full-size car. Last year we wound up fighting because we were crammed with our luggage into a Honda. It can't be that much more expensive for a full-size car, can it? — D.P., Broken Arrow.

As Alpha Stooze Moe Howard said, "Spread out!"

3-Vroom: A recent study by car rental service VroomVroomVroom at tulsaworld.com/VVV shows that many Americans have gone for fuel economy in their personal transportation but don't think that should apply to the holiday season. Last year, rentals of midsize, standard and full-size cars increased 10 percent, while economy and compact cars (combined) decreased 5 percent, a survey says. This year, it's time to save a lot of stress by renting a car — or SUV — that fits your growing needs.

The VroomVroomVroom Web site lets you compare rates and amenities for all classes of vehicles of the major car rental companies: Alamo, Avis, Budget, Enterprise, Hertz, National and Thrifty — providing "the lowest price guarantee." Its staff believes that "drivers deserve a car rental booking service that thinks and acts like a customer." The Australian-born company is the fastest, easiest way to find and reserve a car in three easy steps with no credit card number down and no cancellation penalties.

Larger vehicles seem counter-intuitive after \$4 gasoline and growing eco-consciousness among consumers. But VroomVroomVroom CEO Peter Thornton explains on the site, "What we found is that many people are purchasing small cars with better gas mileage for everyday use and renting larger vehicles for the few times a year they need the



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space. It's an effective way to save money without sacrificing comfort for long road trips."

Road trip: For single travelers or two-member unions that already have enough space — say, a 2008 GMC C1500 Yukon XL 5.3-liter getting 20 mpg on the road — renting a smaller car is a way to save money and help the environment — but not so comfy. According to the AAA Fuel Cost Calculator at tulsaworld.com/FuelCost, the Yukon, making the 2,450-mile round-trip from Tulsa to Orlando, would burn 175 gallons of gasoline, costing \$300, while the 2005 Toyota Corolla, getting 35 mpg on the road, would burn 72 gallons of gas costing \$124. Not including the rental expense, that's \$176 for traveling comfort — not including the motel each way.

Local trips: If you're considering the driving expense while in Orlando, at \$1.77 per gallon, consider an average of 100 miles of city driving and 100 miles of highway driving while there for five days. The Yukon, getting 14 mpg city and 20 mpg highway, will cost you \$21.48 to drive around and the Corolla, getting 26 mpg city and 35 mpg highway, will cost you \$11.88 — \$9.60 more for the Yukon.

Carbon emissions: The Environmental Protection Agency's Fuel Economy Web site at tulsaworld.com/EPAmg shows the Yukon, putting on 15,000 miles per year, will put out 11.4 tons of carbon dioxide while the Corolla will put out 6.3 tons.

Submit Action Line questions by calling 699-8888 or by e-mailing phil.mulkins@TulsaWorld.com or by U.S. mailing it to Tulsa World Consumer, PO Box 1770, Tulsa OK 74102-1770.

REAL ESTATE LEASES

Eide Bailly LLP leased 14,613 square feet at 21 Lewis Plaza, 2424 E. 21st St., through CB Richard Ellis/Oklahoma and Coury Properties.

Anixter Inc. leased 24,000 square feet at 1102 N. Garnett Road through CB Richard Ellis/Oklahoma and Commercial Oklahoma.

Stanley Security Solutions Inc. leased 3,280 square feet at Alltech Center, 9300 Broken Arrow Expressway, through CB Richard Ellis/Oklahoma and Bauer & Associates.

PMG One LLC leased 1,250

square feet at Jenks Trade Center, 8448 S. Peoria Ave., through CB Richard Ellis/Oklahoma.

Traci Rane Photography leased 1,107 square feet at Union Square, 6117 S. Mingo Road, through CB Richard Ellis/Oklahoma.

CUI Product LLC leased 8,000 square feet at 9402 E. 55th Place through CB Richard Ellis/Oklahoma.

Dwelling Spaces leased 321 square feet in the Philcade Building, 501 S. Boston Ave., through Kanbar Properties.

John Shafer leased 754 square feet in the TransOk Building, 2 W. Sixth St., through Kanbar Properties.

Wiggin Properties leased 762 square feet in the Oil Capitol Building, 507 S. Main St., through Kanbar Properties.

Laredo Petroleum leased 20,714 square feet in the Bank of America Tower through Kanbar Properties.

Trifecta Medical Group leased 1,525 square feet in the Petroleum Club Building, 601 S. Boulder Ave., through Kanbar Properties.

Nonnis Food Co. Inc. renewed its lease of 7,700 square feet in the Petroleum Club Building, 601 S. Boulder Ave., with Kanbar Properties.

Davis, Champ and Associates Inc. renewed its lease of 1,355 square feet in the Petroleum Club Building, 601 S. Boulder Ave., with Kanbar Properties.

Submit area leasing information to Tulsa World real estate reporter Robert Evatt via e-mail at revatt@tulsaworld.com.

FOREIGN EXCHANGE

The dollar was higher against most other major currencies as stocks gyrated early in the session on bad economic readings. Investors expect rate cuts by the European Central Bank and Bank of England this week.

MAJORS	CLOSE	CHG.	%CHG.	6MO. AGO	1YR. AGO
USD per British Pound	1.4722	-0.154	-1.05%	1.9658	2.0668
Canadian Dollar	1.2605	+0.066	+5.2%	1.0092	.9999
USD per Euro	1.2655	-0.042	-3.3%	1.5470	1.4672
Japanese Yen	93.09	-13	-1.4%	105.26	110.47
Mexican Peso	13.6455	+0.280	+2.1%	10.3199	10.9018
EUROPE/AFRICA/MIDDLE EAST					
Israeli Shekel	3.9960	+0.264	+6.6%	3.2873	3.8533
Norwegian Krone	7.1259	+0.753	+10.6%	5.1546	5.5307
South African Rand	10.2625	-1.265	-12.3%	7.7640	6.8158
Swedish Krona	8.2372	+0.038	+0.4%	6.0350	6.4001
Swiss Franc	1.2141	+0.069	+5.7%	1.0404	1.1277
ASIA/PACIFIC					
Australian Dollar	1.5567	-0.071	-4.6%	1.0496	1.1341
Chinese Yuan	6.8763	-0.040	-0.6%	6.9300	7.4035
Hong Kong Dollar	7.7515	+0.002	+0.0%	7.8064	7.7891
Indian Rupee	49.948	-157	-3.1%	42.553	39.375
Singapore Dollar	1.5268	-0.052	-3.4%	1.3630	1.4513
South Korean Won	1459.40	-0.00	-0.0%	1017.10	925.07
Taiwan Dollar	33.52	+0.3	+0.9%	30.40	32.42

ENERGY FUTURES

EXP.	OPEN	HIGH	LOW	SETTLE	CHG
HEATING OIL (NYMEX) 42,000 gal. cents per gal					
Jan 09	158.25	161.50	156.55	158.40	+0.8
Feb 09	160.65	163.80	159.00	160.80	-1.2
Mar 09	163.40	165.50	161.64	162.65	-6.2
Apr 09	164.10	166.90	162.86	163.95	-6.2
Est. sales 43,954. Tue's sales 72,599					
Tue's open int. 218,117, +1,253					
LIGHT SWEET CRUDE (NYMEX) 1,000 bbl. dollars per bbl.					
Jan 09	46.80	48.10	46.26	46.79	-1.7
Feb 09	48.15	61.45	47.77	48.32	-1.1
Mar 09	49.80	50.94	49.20	49.87	+0.3
Apr 09	51.20	52.12	50.71	51.34	+1.9
Est. sales 252,891. Tue's sales 405,003					
Tue's open int. 1,147,475, +12,596					
NATURAL GAS (NYMEX) 10,000 mm btu's, \$ per mm btu					
Jan 09	6.460	6.464	6.280	6.347	-0.77
Feb 09	6.399	6.492	6.314	6.371	-0.81
Mar 09	6.340	6.460	6.296	6.350	-0.76
Apr 09	6.370	6.468	6.309	6.365	-0.68
Est. sales 57,402. Tue's sales 98,953					
Tue's open int. 501,356, -215,823					
NY HARBOR GAS BLEND (NYMEX) 42,000 gallons-dollars per gallon					
Jan 09	1.0399	1.0732	1.0100	1.0415	-0.168
Feb 09	1.0779	1.1008	1.0521	1.0795	-0.152
Mar 09	1.1319	1.1440	1.0573	1.1210	-0.172
Apr 09	1.2830	1.2971	1.2136	1.2825	-0.122
Est. sales 40,802. Tue's sales 53,067					
Tue's open int. 175,674, +3,695					

AGRICULTURE FUTURES

EXP.	OPEN	HIGH	LOW	SETTLE	CHG
CORN (CBOT) 5,000 bu minimum-cents per bushel					
Dec 08	351	354.50	345	348.25	...
Mar 09	361.75	365.25	356.50	359.25	-2.5
Jul 09	372.50	375.75	367	369.75	-2.5
Est. sales 213,266. Tue's sales 21,366					
Tue's open int. 848,682, -10,790					
COTTON 2 (NYBT) 50,000 lbs.-cents per lb.					
Dec 08	46.80	48.10	46.26	46.79	+0.4
Mar 09	46.05	47.49	45.72	46.61	+5.2
May 09	46.00	47.30	45.75	46.55	+4.5
Jul 09	47.08	47.84	46.55	47.30	+4.5
Est. sales 2,573. Tue's sales 8,171					
Tue's open int. 126,805, -729					
OATS (CBOT) 5,000 bu minimum-cents per bushel					
Dec 08	210	210	205.50	205.50	-1
Mar 09	221.75	226.25	219	221	-1
May 09	230.50	233.75	229	230.50	-1
Jul 09	240	241	241	241	-1
Est. sales 708. Tue's sales 708					
Tue's open int. 17,028, -134					
SOYBEAN MEAL (CBOT) 100 tons-dollars per ton					
Dec 08	249.40	250.80	244.50	248.00	+1.90
Jan 09	247.20	249.90	243.20	246.70	+1.40
Mar 09	247.20	250.00	244.30	246.80	+5.0
May 09	250.00	252.30	247.00	248.90	...
Est. sales 36,126. Tue's sales 36,126					
Tue's open int. 129,329, +307					

EXP.	OPEN	HIGH	LOW	SETTLE	CHG
SOYBEAN OIL (CBOT) 60,000 lbs.-cents per lb.					
Dec 08	39.53	39.98	39.09	39.28	-1.4
Jan 09	39.83	39.37	39.41	39.58	-1.9
Mar 09	39.21	39.78	39.90	39.98	-2.2
May 09	39.65	39.16	39.35	39.38	-2.2
Est. sales 62,232. Tue's sales 62,232					
Tue's open int. 234,483, -3,840					
SOYBEANS (CBOT) 5,000 bu minimum-cents per bushel					
Jan 09	832	844	819.25	830	+3
Mar 09	836.50	849	826	835	+5.0
May 09	845	857.25	837	843	-1
Jul 09	853.25	866.25	845.25	851.25	-1.75
Est. sales 129,919. Tue's sales 129,919					
Tue's open int. 316,328, +1,514					
WHEAT (CBOT) 5,000 bu minimum-cents per bushel					
Dec 08	504.50	514.25	500	500.75	-9
Mar 09	524.25	537	518	519.75	-8.75
May 09	536	547.50	533	533.25	-9
Jul 09	550.50	560.50	545	546.25	-9.25
Est. sales 61,540. Tue's sales 61,538					
Tue's open int. 254,483, -985					
WINTER WHEAT (KCBT) 5,000 bu minimum-cents per bushel					
Dec 08	539	545.50	529.50	529.50	-8
Mar 09	552	563	546	546	-9
May 09	569	579.50	555	556.50	-13.25
Jul 09	577	579.50	563	563	-9.25
Est. sales 5,836. Tue's sales 5,932					
Tue's open int. 78,001, -723					
CATTLE (CME) 40,000 lbs.-cents per lb.					
Dec 08	84.30	85.10	83.65	83.82	-5.3
Feb 09	84.30	85.70	84.02	84.07	-3.8
Apr 09	86.40	87.35	85.75	86.05	-4.7
Jun 09	82.30	83.27	81.90	82.10	-4.0
Est. sales 1,820. Tue's sales 29,706					
Tue's open int. 213,323, -119					
FEEDER CATTLE (CME) 50,000 lbs.-cents per lb.					
Jan 09	89.00	90.02	88.07	88.35	-6.5