

Business

Dow Jones

81.36

10,544.13

NASDAQ

43.23

2,285.71

Harley workers OK a pay freeze

By Dinesh Ramde
Associated Press

WAUKESHA, Wis. — Harley-Davidson Inc.'s three Wisconsin unions approved a labor contract Monday laden with steep concessions, reacting defensively after the motorcycle company threatened to move hundreds of jobs out of the state.

The proposed deal freezes employees' pay, slashes hundreds of production jobs and assigns large volumes of work to part-time workers. But it also saves at hundreds of other jobs, at least in the short-term.

Some 1,140 union members from a suburban Milwaukee plant voted, approving the contract by a 55 to 45 percent margin. In northern Wisconsin, 293 workers at the Tomahawk plant voted, approving it by a

margin of 73 to 27 percent.

Harley-Davidson Inc. executives had said they would move production out of Wisconsin if the contract were rejected, which would have eliminated about 1,350 jobs. They are now set to decide the next steps Tuesday.

Mike Masik, the president of the Milwaukee-based chapter of the United Steel Workers, said the close vote there reveals how grudgingly his workers approved the deal.

"It shows people are really getting sick of being threatened," he said.

Although the contract runs for seven years starting in April 2012, it doesn't guarantee the company will stay in Wisconsin that whole time, Masik said — only that the company

Please see HARLEY on A11



A Harley-Davidson worker rolls up a poster he had on his motorcycle after voting Monday at the Waukesha Exposition Center in Wisconsin. **JEFFREY PHELPS, ASSOCIATED PRESS**

BUSINESS BRIEFLY

Zions Bank plans grand opening in Daybreak

SOUTH JORDAN — Zions Bank on Thursday will hold a grand opening for its new Daybreak branch office, located at 4753 W. Daybreak Parkway.

An open house is set for 4:30-6:30 p.m. and a ribbon-cutting ceremony is scheduled for 5 p.m.

The office provides three drive-up windows, four teller windows, a 24-hour ATM, a night depository and safe deposit boxes. Stephanie Sherrell will be branch manager at the new facility and Justin deJong will be customer service manager.

"This new location will allow us to bring existing and new clients the security of banking with an institution that has been safe and sound for more than 135 years," said Sherrell.

— Linda Thomson

EarthFruits Yogurt to open flagship store

PROVO — EarthFruits Yogurt, a self-serve frozen yogurt company, plans to celebrate the grand opening of its flagship location Saturday.

This EarthFruits cafe is located at 44 E. 1230 North on the corner of University Avenue and Bulldog Boulevard.

The grand opening will run from 10 a.m. to 2 p.m., with children's activities including Brazilian face painting from 10 a.m. to noon; a demonstration of Brazilian martial arts, acrobatics and dancing from 11-11:30 a.m.; and from noon until 2 p.m. an exhibition of exotic animals and live music.

EarthFruits lets customers serve themselves from a selection of 18 flavors and offers more than 80 toppings.

Free workshop on mobile apps is planned

SALT LAKE CITY — The University of Phoenix will hold a free workshop on how businesses, nonprofit groups and others can develop applications for mobile devices.

The workshop is scheduled for Saturday from 10 a.m. to noon at the university's Salt Lake City campus, 5373 South Green St.

Since seating is limited, participants should RSVP to holly.heffron@phoenix.edu. Light refreshments will be provided.

Joe Jensen, a University of Phoenix instructor, will talk about the increasing demand for mobile device applications, specific mobile platforms and devices, how they can be brought into organizations and more. Those in attendance also will get some hands-on experience and see how an application is developed.

— Linda Thomson

Workforce Services offers career book

SALT LAKE CITY — The Department of Workforce Services has created a new career planning resource booklet titled "Utah Careers Supplement for Women" that can be picked up at any DWS office or found online at jobs.utah.gov/wi.

The guide is a supplement to the department's other primary guide, "Utah Careers."

"Despite conventional perceptions, women in Utah participate in the labor force at a higher rate than the national average. That is partly a result of our young demographics," said DWS economist Lecia Langston. "However, in Utah most married women work, most mothers of preschoolers work and 75 percent of Utah mothers of school-age children work outside the home."

Langston said the publication is intended to offer advice, information and support for women "as they face the particular challenges in obtaining and maintaining employment."

— Linda Thomson

Cuba to cut 500K government workers, reform pay

By Will Weissert
and Paul Haven
Associated Press

HAVANA — Cuba announced Monday it will cast off at least half a million state workers by early next year and reduce restrictions on private enterprise to help them find new jobs — the most dramatic step yet in President Raul Castro's push to radically remake employment on the communist-run island.

Castro suggested during a nationally televised address on Easter Sunday that as many as 1 million Cuban workers — about one in five — may be redundant. But the government had not previously laid out specific plans to slash its work force, and the speed and scope of the coming cutbacks were astounding.

Cuba's official work force is 5.1 million — meaning nearly 10 percent of all employees could soon be out of a government job.

Workers caught off guard by the announcement said they worried whether the tiny private sector could support so many new jobs, a sentiment echoed by some analysts.

"For me the problem is the salaries, that's the root of it," said Alberto Fuentes, a 47-year-old government worker. "If they fire all of these people, how can they all become self-employed?"

The layoffs will start immediately and continue through April 2011, according to a statement from the nearly 3 million-strong Cuban Workers Confederation, which is affiliated with the Communist Party and the



Manuel Cardenas repairs shoes Monday in La Habanera, a government-run workshop in Havana. **FRANKLIN REYES, ASSOCIATED PRESS**

only labor union allowed by the government. Eventually the state will only employ people in "indispensable" areas such as farming, construction, industry, law enforcement and education.

To soften the blow, the statement — which appeared in state newspapers and was read on television and

radio — said the government would increase private-sector job opportunities, including allowing more Cubans to become self-employed. They also will be able to form cooperatives run by employees rather than government administrators.

The announcement was short on details of how such a major shift

could be achieved, but its intent appeared to deal a body-blow to the decades-old social safety net upon which the island's egalitarian society is built.

Castro has long complained that Cubans expect too much from the government, which pays average monthly salaries of just \$20.

Regulator finds less risk in Fannie, Freddie loans

By Lorraine Woellert
Bloomberg News

Mortgage pools packaged by Wall Street as investments during the housing boom were more risky and performed worse than those guaranteed by Fannie Mae and Freddie Mac, the companies' regulator said.

Loans with "higher-risk characteristics" were more common in private-label securities than in the mortgage portfolios bought or guaranteed by the government-sponsored enterprises, said Robert Collender,

principal policy analyst for the Federal Housing Finance Agency, which released a report Monday.

"In almost every bucket of risk, the enterprise loan performed better than the private-label securitized loans," Collender said in a telephone interview. "That might speak to a difference of quality control in the private-label market."

Private-label securities, which Fannie Mae and Freddie Mac increasingly purchased before the U.S. mortgage market collapsed in 2008,

had a greater share of mortgages with adjustable interest rates and borrowers with credit scores below 660, two indicators of loans more likely to default, the FHFA said.

Mortgages in the pools also were more likely to exceed 80 percent of a property's value, which "contributed to the unusually poor performance of loans," the report said. About 10 percent of them were more than 90 days delinquent by the end of 2009 compared with 5 percent of guaranteed mortgages, it said.

The FHFA examined loans for single-family homes in the period before the financial crisis that led to the federal government's 2008 takeover of Fannie Mae and Freddie Mac to document differences between mortgages backed by the two firms and those financed without their support.

"Some people want to say it was a market failure or a government failure, choose your philosophy,"

Please see LOANS on A11

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