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THE OPTIMAL BUNDLE

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## Boeing Blasts Bombardier

Due the scale of its production process, the number of commercial aircraft manufacturers in the world are few. Yet this industry is far-reaching in its effects to the global economy. American manufacturer Boeing knows this well and for that reason it has sued Canada's Bombardier Aerospace—a significantly smaller rival. In a filing with the Federal Trade Commission, Boeing accuses Bombardier of receiving generous subsidies from the Canadian Government, which it then applied in selling 125 aircraft to Delta at “absurdly lower prices”, causing Delta to cancel a previous order with Boeing.



*A Bombardier C-Series undergoing final assembly. Bombardier sold planes to Delta Air Lines or \$19 million each, a fraction of the \$33 million production cost and far below the original \$79.5 million list price.*

The U.S. Commerce Department backs Boeing, recommending a 219% tariff on imported Bombardier jets. The British Government pushed back immediately, as such measure would jeopardize 4000 jobs at the Bombardier assembly plant in East Belfast. UK Prime Minister Theresa May needs the support from that region as she recently engaged in a parliamentary coalition with Northern Ireland's DUP party.

In an ultimatum, Ms. May and Canadian Prime Minister Justin Trudeau requested that Boeing drop the lawsuit or neither country would conduct further business with the Chicago-based firm. At a time when the UK and Canada are re-negotiating vital trade deals with the U.S., timing for this tri-national dispute could not have been worse.—NG

Sources: <http://reut.rs/2yCRdK9>

## Tax Tasks

The newly unveiled GOP tax plan is once again causing partisan divisions. The coalition of Republican legislators in congress have defended tax cuts aimed at high income earners and corporate entities. This is an effort they believe will make American firms more competitive and easier for the private sector to hire workers. According to the party's tax framework as interpreted by the Wall Street Journal, the top 1% of the households would get an average tax cut of \$129,030 in 2018. This would boost their post-tax income by 8.5%. Households in the bottom half of the income scale would get an average tax cut of under \$1000. In a speech in Indiana on Wednesday 27, Mr. Trump said the “framework includes explicit commitment that tax reform will protect low-income and middle-income households, not the wealthy and well-connected”. This tax initiative is ambitious to say the least and will require significant bipartisan support in order to pass.—NM

Sources: <http://on.wsj.com/2xQUaZS>



## The Fed's New Men

President Trump and Treasury Secretary Steve Mnuchin interviewed Jerome Powell and Kevin Warsh as possible candidates for position of Federal Reserve Chair on September 27 and 28. When Janet Yellen's term as chairwoman ends in February, the Fed will have the President's influence on the Board for the first time. Mr. Powell has sat on the Board of Directors since 2012 and worked for the Carlyle Group and U.S. Treasury in the past. Mr. Warsh was Fed Governor for five years and member of the President's business advisory board until resigning in August following Mr. Trump's failure to coherently condemn racism. According to the Wall Street Journal, the search for Fed leadership was relatively informal until now.

Sources: <http://cnb.cx/2ymHifJ>

## Caprichos in Cataluña

The Catalonia region of Spain held a referendum on independence—despite it being declared unconstitutional by Madrid.



(L-R) Spanish Prime Minister Mariano Rajoy, H.M. King Felipe VI of Spain and Catalonia President Carles Puigdemont at a ceremony following the Barcelona terror attacks in September.

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Prime Minister Mariano Rajoy insisted that all Spanish citizens, including non-Catalans need to participate in order for such public ballot to be legitimate. Thousands of polling stations were opened across the region, but Spanish authorities admitted to disrupt the process. With 750 injuries reported as of October 2 following riots and accounts of confiscated ballot boxes, this has been Spain's most unsettling democratic dispute since the Franco dictatorship of the 1970's. 2.3 million Catalans voted overwhelmingly in favor of independence but the Spanish Government automatically denied the results. While Catalonia and Spain have had a historically tumultuous relationship, they are mutual beneficiaries of each other's economic output. Catalonia alone holds the largest share of GDP in the country.-PR

Sources: <http://on.wsj.com/2xQUaZS>

## Advice by Victoria

Question: ***How do you handle being a female pursuing a career in a male dominated field?***

I've always been the type of person who has been extremely competitive but also never took into consideration my gender when pursuing opportunities. I grew up with a mother who had a career that was important to her as well as having a father who had a career. This created a dynamic in my family in which there were expectations that I would do something I was passionate about as a career. I am studying economics and pursuing a career in business. This means that for most of my life I've been one of few females in my classes. That has never really bothered me. I believe the most important part of being a female pursuing a career in male dominated fields is making sure that you present yourself well and help other females who are trying to do what you are doing. Those are two things that I try to do in everything I do, whether that be in my academic or personal life. In my opinion having confidence in who you are and willingness to learn will propel you in whichever industry you choose.—V