

Jobless Rate Drops to 5.6%

-- The nation's unemployment fell to 5.6 percent the labor force in September even as businesses nervous about economic prospects slashed payrolls by 43,000 jobs. --

BACKGROUND:

Companies' profits are still hurting after taking a hit during last year's recession, so they are reluctant to make big commitments in capital spending and in hiring, factors restraining the economy's recovery. Economic uncertainties, including worries about a possible war with Iraq, also are weighing heavily on businesses.

Consumers, whose spending accounts for two-thirds of all economic activity, have been the main force for any growth the economy has experienced. Low interest rates, rising home values and a refinancing boom that has left people with extra cash have supported spending this year. That has helped to blunt negative factors such as the weak jobs market, the rollercoaster stock market and eroding consumer confidence.

Some economists worry whether consumers will have the energy to continue buying at a strong enough pace to keep the economy afloat, especially if the job market were to worsen.

The Federal Reserve has kept short-term interest rates at 41-year lows this year in an effort to spur consumers and businesses to spend and invest more. Some economists believe the Fed might decide to cut rates for the first time this year at its next meeting in November.

One thing is possible: as joblessness goes down, spending goes up, recession over?

STORY:

Friday's Labor Department report sent mixed signals, not only about the health of the labor markets but also about the condition of the economy in general.

The 5.6 percent seasonally adjusted overall jobless rate down from 5.7 percent in August was based on a survey of U.S. households. The 5.6 percent rate was the lowest in seven months. But a separate report measuring labor market health a survey of business payrolls showed 43,000 fewer jobs.

The overall rate of joblessness eased to 5.6 percent mostly because the household survey showed that 711,000 people found work last month, or stopped looking for work. That increased the ranks of the nation's employed to 135.2 million more than offsetting the payroll reductions. The loss of jobs, according to the payroll survey, was most severe in the manufacturing and transportation areas of the economy.

One factor in the mixed reports could be that half of the 711,000 increase in employment last month was among teenagers, whose employment numbers historically fluctuate significantly from August to September.

September's jobless rate is better than many analysts had foreseen. Some said in advance of Friday's Bureau of Labor Statistics' release that they thought it rose to 5.9 percent last month.

The seasonally adjusted civilian jobless rate has bounced up and down for months without claims for unemployment benefits has similarly

In This Issue:

- 3 Coast Guard Rescues Man at Sea
- 5 MLB Playoffs Explained/Dalai Lama
- 6 50 Most Powerful Women/Carly Fiorina
- 7 More Fries?
- 8 Order and Other Information

clear trend emerging in hiring. The pattern of new zigzagged in recent weeks.

The survey of businesses showed employers slashing 43,000 jobs last month Ñ the first such cut since last April. Economists have not yet predicted that the nation would fall back into recession, but analysts have continued to worry aloud about mixed signals in a wide range of business indicators.

SIGNIFICANCE:

Young, jobless? Skip law school, visit reality

By Laura Vanderkam

Every day, newspaper headlines document the lingering recession. Unemployment, bear market -- none of it looks good. But I have my own economic indicator: Suddenly, everyone I know is going to law school.

By one estimate from labor-market researchers at Northeastern University, about half of those who lost jobs in 2001 were under 25. Even now, few companies are hiring. So at the Law School Admission Council in Newtown, Pa., the recession has translated into 66,906 registrations flying in for Saturday's Law School Admission Test (LSAT) -- up nearly 11% from last year, when law school applications increased 18%. The council is gearing up for the largest LSAT administration ever, surpassing the previous record set in the grim economy of October 1991.

Not surprisingly, the folks at the council detect a pattern. "Our sense is that many people are choosing to sit out bad economic times in law school," says spokesman Edward Haggerty.

This isn't a cheap seat. Law students have been known to borrow \$50,000 a year. All fine for those who really want to be lawyers. But many don't. They simply despair of finding a job. For these young people, I

have another suggestion for riding out the recession: Buy a backpack and a good pair of shoes, pack your passport and see the world instead. While the craziness of opting out of the career track for a bit baffles most Americans, an education from travel will cost less and mean more than any half-heartedly earned law degree.

Unlike the LSAT, such trekking has never been easier. People in countries from Brazil to Bulgaria are learning English, and travel, done right, can be cheaper than staying put. I spent part of this summer bumming around Thailand, where hotels cost me \$11 a night, and I could have lived on even less. Summer earnings and intern stipends have let me, among other things, SCUBA dive on the Great Barrier Reef, shop at markets in Hong Kong where chickens strut next to gleaming office plazas, and dance in Rio de Janeiro's nightclubs until the sun rose over the beach. All for less than it would cost to own a car.

Most young Americans buy the car instead. Anne Robinson, host of *The Weakest Link*, insulted many when she snidely remarked that "only 5% of Americans have passports. That explains a lot" -- namely, our lack of interest in world affairs and, in Robinson's opinion, our lack of knowledge.

While she overstated the case, she's right that Americans, in general, don't travel abroad. The 1995 American Travel Survey found that of the millions of long-distance trips Americans take annually, only 4% are to locations outside the United States, and the bulk of these are border runs to Canada and Mexico. American senior citizens are more likely to travel than twentysomethings.

Reasons for this immobility abound. America has its own alabaster cities and shining seas. Our two-week vacation policies preclude serious travel. And here, one's 20s are for building a resume, not building a bank of experiences. For years, the U.S. economy has been too hot to miss and, regardless, Americans don't like to dillydally. When I

traveled in Australia a few years ago, the other Americans I met were like me -- students, there for a specific purpose. How decadent to spend months traveling just because!

Just as important, though, is what travel does for the traveler, particularly youngsters floundering in their careers. Away from your comfort zones, you grow into a self-confidence that comes from knowing for sure who you are and what you can handle. The courage to stretch oneself is every bit as valuable a job skill as the ability to sit through lectures.

The world can be a good party. The least a generation of unemployed young people can do is accept the invitation.

Laura Vanderkam, a freelance writer in New York, is a member of USA TODAY's board of contributors.

Coast Guard Rescues Man after 2 Months at Sea

-- A Coast Guard rescue crew rescued a 43-year-old Florida man in off the coast of S.C.; he is believed to have been at sea for more than two months. --

BACKGROUND:

The United States Coast Guard, one of the country's five armed their history back to 4 August 1790, when the first Congress authorized the construction of ten vessels to enforce tariff and trade laws, prevent smuggling, and protect the collection of the federal revenue. Known variously as the Revenue Marine and the Revenue Cutter Service, they expanded in size and responsibilities as the nation grew.

These added responsibilities included humanitarian duties such as aiding mariners in distress. Their law enforcement functions

also continued to expand, with enforcing laws against slavery, piracy, and smuggling. They also protect the marine environment, explore and police Alaska, and chart the growing nation's coastlines.

The service received its present name in 1915 under an act of Congress when the Revenue Cutter Service merged with the Life-Saving Service. The nation now had a single maritime service dedicated to saving life at sea and enforcing the nation's maritime laws. They began to maintain the country's aids to maritime navigation, including operating the nation's lighthouses, when the Lighthouse Service was transferred to the Coast Guard in 1939. Later, in 1946, Congress permanently transferred the Bureau of Marine Inspection and Navigation to the Coast Guard, thereby placing merchant marine licensing and merchant vessel safety under their purview.

The Coast Guard is one of the oldest organizations of the federal government and, until the Navy Department was established in 1798, they served as the nation's only armed force afloat.

In times of peace they operate under the Department of Transportation, serving as the nation's front-line agency for promoting our laws at sea, protecting our coastline and ports, and saving life. In times of war, or on direction of the President, they are attached to the Navy.

STORY:

A Florida sailor, emaciated and delusional after being lost at sea for as long as 11 weeks, was rescued from his disabled sailboat off South Carolina, the Coast Guard said on Friday. The man, Terry Watson, 43, of Homosassa Springs, Florida, was listed in stable condition on Friday at Georgetown Memorial Hospital, where he was being treated for dehydration and exposure.

Watson left Miami in his 23-foot sailboat Pseudorca on July 19. Another boater reported him missing four days later when

they became separated while sailing in the Florida Keys. The Coast Guard launched a search but gave up after covering more than 8,000 square miles in two days and finding no sign of the Pseudorca.

A fishing boat captain spotted the vessel, broken-masted and adrift about 40 miles off the South Carolina coast on Thursday and alerted the Coast Guard. It sent a helicopter to rescue him but Watson, suffering from delusion and shock, refused to leave his boat, the agency said. Rescuers eventually persuaded him to come aboard a Coast Guard patrol boat and brought him ashore. As a series of storms ravaged his boat, Watson tried to keep his vessel seaworthy with tape and dental floss, a Coast Guard spokesman said.

Watson spent Thursday night at Georgetown Hospital and was transported Friday to the Medical University of South Carolina for a psychiatric evaluation, Carr said. It was unclear how long the evaluation would take, he added.

The Coast Guard initially thought Watson, 43, must have stopped somewhere after he was seen July 21 near Miami because a disabled boat normally would drift farther north than South Carolina in two months. But after interviewing Watson, Coast Guard officials now believe Watson was at sea the whole time, Carr said. They eventually will be able to map the boat's path with its global positioning unit, he added.

Watson told officers he was en route to Denmark via Bermuda on his 23-foot sailboat when he ran into bad weather. He apparently turned south, but found more storms when he tried to head north again. His mainsail ripped and at some point he was able to fix his sail adding some sail tape and using dental floss to try to sew it up, but the repair was only temporary.

By the end of the ordeal, Watson had run out of food and water and used his broken mast to build a shelter. He still had a radio,

but because a storm tore away his solar panel, he kept the radio off to save battery power for when he might be able to contact another ship.

His rescue came three weeks after the Navy found a California sailor, Richard Van Pham, adrift off Costa Rica after being lost at sea for four months. He survived by collecting rainwater and eating turtles and fish that swam near his boat.

SIGNIFICANCE:

Each day, the men and women of the 35,000 plus active duty Coast Guard, 8,000 Reservists and 32,000 Auxiliarists provide services over 3.4 million square miles of Exclusive Economic Zones...

- Conduct 109 Search and Rescue Cases.
- Save 10 lives.
- Assist 192 people in distress.
- Protect \$2,791,841 in property.
- Small boats undertaking 396 sorties/missions.
- Aircraft fly 164 missions, logging 324 hours.
- Law enforcement teams board 144 vessels.
- Seize 169 pounds of marijuana and 306 pounds of cocaine worth \$9,589,000.00.
- Seize 1 drug smuggling vessel every five days
- Crews interdict and rescue 14 illegal migrants.
- Marine Safety personnel open 8 new cases for marine violation of federal statutes
- Process 238 Seaman licenses and documents.
- Safety Inspectors board 100 large vessels.
- Pollution investigators respond to 20 oil or hazardous chemical spills totaling 2,800 gallons.
- Investigate 6 vessel casualties involving collisions, allisions or groundings.
- Buoy tenders and Aids to Navigational Teams service 135 aids to navigation.

Information from www.uscg.mil

SPORTS:**MLB Playoffs
Explained**

Major League Baseball playoffs, the series of games that determines which two teams will have the honor of playing in the highly anticipated World Series, began as we know it when in 1969 when the American League and National League both split into eastern and western divisions. That required post-season playoffs between the east and west division champions to determine the American and National league pennant winner.

The league championship series, affectionately known as the ALCS and NLCS, were originally best-three-of-five contests. In 1985, they went to the best-four-of-seven format used in the World Series.

The American League expanded from 12 to 14 teams in 1977, but the playoff system didn't change until after the National League also went to 14 teams in 1993. The following year, each league was split into three divisions and a four-team playoff was adopted, the second-place team with the best won-loss record goes into the playoffs as a wild card being the fourth team. However, the 1994 season was never completed because of a player strike, so the first four-team playoff didn't take place until 1995.

In the first round of games, the pennant-winner with the best record faces the wild-card entry, while the other two pennant-winning teams play one another to determine who gets into the league championship series. This first round, rather confusingly, is called the division playoff, even though divisional titles are not at stake. The division playoffs are best-three-of five.

THIS WEEK IN HISTORY:**October 5, 1989****DALAI LAMA WINS
PEACE PRIZE:**

Tibet, a large region situated in the plateaus and mountains of Central Asia, had been ruled by the Dalai Lamas since the 14th century. In October 1950, Chinese Communist forces invaded Tibet and quickly overwhelmed the country's poorly equipped army. The young Dalai Lama appealed to the UN for support, but his entreaties were denied. In 1951, Tibet became a "national autonomous region" of China, supposedly under the rule of the Dalai Lama but actually under the control of a Chinese Communist commission.

After years of scattered protests in Tibet, a full-scale revolt broke out in March 1959, and the Dalai Lama fled with 100,000 other Tibetans. He began an exile in India, settling at Dharamsala in the Himalayan foothills, where he established a democratically based shadow Tibetan government. Back in Tibet, the Chinese adopted brutally repressive measures against the Tibetans, provoking charges from the Dalai Lama of genocide. The practice of the religion was banned and thousands of monasteries were destroyed.

The religious-practice ban was lifted in 1976, but suppression continued. The Dalai Lama traveled the world, drawing international attention to the continuing Chinese suppression of the Tibetan people and their religion. He called for a true self-governing Tibet, with China in charge of defense and foreign affairs. China rejected the offer. Dalai Lama was the recipient of the 1989 Nobel Prize for Peace in recognition of his nonviolent campaign to end the Chinese domination of Tibet.

**See next week's issue for the Dalai Lama's
Biography**

ENTERTAINMENT:**MOST POWERFUL
WOMEN IN BUSINESS**

In the world of business, women are no longer only secretaries, assistants and clerks. They are successfully running some of the most powerful companies in America. Fortune magazine researches these companies and women to determine who is the most powerful. What does it take to make their list? Character, fortitude, and revenues.

And the winner is:

1. Carly Fiorina, Chairman/CEO, Hewlett-Packard. Fiorina, 48, has staying power--this is her fifth straight year at the top of their list. She weathered a tough proxy fight during HP's \$18.7 billion acquisition of Compaq.
2. Betsy Holden, Kraft Foods, Co-CEO
3. Meg Whitman, eBay, President and CEO
4. Indra Nooyi, PepsiCo, President and CFO
5. Andrea Jung, Avon, Chairman/CEO
6. Anne Mulcahy, Xerox, Chairman/CEO
7. Karen Katon, Pfizer, EVP; President
8. Pat Woertz, ChevronTexaco, EVP
9. Abigail Johnson, Fidelity, President
10. Oprah Winfrey, Harpo Ent, Chairman
11. Ann Moore, AOL Time Warner, Chairman and CEO, Time Inc.

**This article was created with the help of
fortune.com**

WHO YOU NEED TO KNOW:**Carleton S. Fiorina**

Carleton (Carly) Fiorina received a bachelor's degree in medieval history and philosophy from Stanford University; a master's degree in business administration from the Robert H. Smith School of Business at the University of Maryland at College Park, Md.; and a master of science degree from MIT's Sloan School.

Prior to joining HP, Fiorina spent nearly 20 years at AT&T and Lucent Technologies, where she held a number of senior leadership positions. At Lucent, she expanded the company's international business and spearheaded the planning and execution of its initial public offering and subsequent spin-off from AT&T.

Since joining HP in July 1999 (where, in her younger days, she actually worked as a secretary in the shipping department), Fiorina has led HP's reinvention as a company that makes the Internet work for businesses and consumers. She is perhaps best known for the battle that won her Compaq and knocked HP scion Walter Hewlett off the board. But Fiorina says she expected her job "to be difficult and tumultuous." Now comes the hard part: running the \$81 billion company.

In July 2001, she was named an Honorary Fellow of the London Business School. She serves on the board of Cisco Systems and was previously a board member of the Kellogg Company and Merck & Company.

**In need of inspiration? Visit
web.mit.edu/newsoffice/nr/2000/fiorinaspeech.html**

FEATURE:

More Fries?

Scientists have found a clue to the chemical reaction that may cause potato chips, french fries and other fried or baked starchy foods to build up high levels of a possible cancer-causing substance. Asparagine, a naturally occurring amino acid that, when heated with certain sugars like glucose, leads to the formation of the worrisome substance acrylamide.

Earlier this year, the Swiss revealed that chips and fries contained unusually high levels of acrylamide, which has been shown to cause cancer and nerve damage in laboratory animals, spurring acrylamide research in many countries. The U.S. Food and Drug Administration has made studying acrylamide's risk and determining how to lower its levels in food one of its highest research priorities, according to a plan that agency officials were to discuss Monday with consumer groups and food manufacturers.

A team from the University of Reading looked at how the chemical could be formed. They suspected it could be created by the reaction between an amino acid called asparagine, which occurs naturally in relatively high levels in potatoes and other cereals, and sugar.

Tests confirmed that when the amino acid is heated, it reacts with sugar to create acrylamide, through a process called the Maillard reaction. This occurs at temperatures above 100 degrees C, which is why the carcinogenic is found in french fries, potato chips, some types of breakfast cereals and breads -- high-carbohydrate foods that are fried or baked at high temperatures. The chemical was not found in boiled foods, which are cooked at lower temperatures.

Acrylamide is a substance used to produce plastics and to purify water and it is known to be carcinogenic. Prior to concerns

being raised about the chemical's presence in food, scientists were warning of the possible harmful effect on those exposed to it via their water or job. Although traces have been found in water, no one expected high levels to be in basic foods.

"Elevated levels" of acrylamide have been found by the World Health Organization in home-cooked as well as pre-cooked, packaged and processed foods. But the WHO said it was not clear what danger was posed to people's health.

In the United States, the FDA has been careful to caution that acrylamide so far is only a suspected carcinogen. The FDA has not yet advised consumers to alter their diets to avoid it. Still uncertain is whether the FDA, once it finishes testing different foods next year, will publicly identify which brands contain the most acrylamide -- information wanted by consumer advocates.

This new information presents a quandary. Sure, it may end your McDonald's fries splurge or your chip and salsa game-time snack, but aren't you supposed to avoid them anyway? And isn't it more encouragement to stick to that healthy diet of fresh fruits, vegetables and meats everyone is always talking about?

The research was published in the journal *Nature*.

Quote of the Week:

For as long as space endures, and for as long as living beings remain, until them may I, too, abide to dispel the misery of the world.
-Dalai Lama

Fact of the Week:

The baby blue whale gains 10 lbs. per hour.

Word of the Week:

Dalai is Mongolian for "ocean;" Lama is Tibetan for "spiritual teacher;" hence the translation "ocean of wisdom."

To order by credit card, please visit us at:
www.theweeklyreport.com/orders.html

To order by check, please send:
Name and e-mail address
Check/MO for \$15.00 (CA Residents: \$16.09)

To: New Accounts; The Weekly Report;
19 Elda Drive; San Rafael, CA 94903

For a 3 month subscription