

BUSINESS

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Business News



State

Seven Southeastern states and a group of 1996 Olympic sponsors are hoping to tempt travelers to take a look at what they have to offer through interactive exhibits at a regional visitors center in Atlanta. The downtown **Welcome South Center** opened in February but most of the high-tech displays are incomplete. Much of the center's features will be available when it has its grand opening next week. When the center is completed, visitors will be able to pick up a telephone at a state exhibit and talk to a tourism representative in that state, said Ruth Ann Miller-Jones, the center's special events coordinator. "We want to be as interactive, as colorful and as graphic as possible," she said. The states represented are Georgia, Alabama, Tennessee, South Carolina, North Carolina, Kentucky and Louisiana.

Cincinnati-based **Federated Department Stores Inc.** said Thursday it will shut down its **Macy's Close-Out stores**, including one in Georgia, by the year's end. The 14 stores employ about 600 people. The Georgia store to be closed is in Avondale Estates.

Nation

German chemical and drug giant **Hoechst AG** has finalized its long-negotiated buyout of Kansas City, Mo.-based drugmaker **Marion Merrell Dow Inc.** for \$7.1 billion, the same price the companies suggested in February. The all-cash deal is the largest U.S. acquisition ever by a German company and would create a drugmaker with about \$10 billion in sales, Hoechst and Marion said Thursday. If regulators approve, it would give Hoechst a foothold in the world's biggest drug market, a move that analysts said could stabilize its sometimes volatile profits.

First-time claims for **jobless benefits** jumped to a nine-month high last week. The Labor Department said Thursday the number of newly laid-off workers applying for unemployment insurance shot up by 20,000 to a seasonally adjusted 371,000, highest since 385,000 during the week ended last July 16. The number of claims filed during the week ended April 22 also were higher than first thought. They were revised to 351,000, from 349,000 in the initial report.

New York-based **TWA**, one of the airline industry's weakest carriers, may break ranks with rivals and scrap a three-month-old policy of limiting travel agent commissions, people familiar with its position said. Such a move could benefit TWA by making travel agents funnel clients to TWA flights. That could severely undermine the airline industry's broad move to reduce costs by limiting the amount of money paid to travel agents, who sell the bulk of airline tickets in this country.

New York-based **Home Shopping Network Inc.**, one of the two largest televised shop-from-home retailers, said it will combine its two biggest shopping channels into a single service in June. The home shopping pioneer from St. Petersburg, Fla., said Thursday it hopes the consolidation will eliminate inefficiency and duplication and help it focus on improving sales, which have fallen behind those of its main rival QVC Inc. Home Shopping's sales rose 7.6 percent to \$1.13 billion in 1994 but that trailed QVC's total of \$1.39 billion.

Consumers could see more variety in the prices for **Reebok and Rockport** footwear as a result of the companies' decision to settle price-fixing charges. The Federal Trade Commission announced a settlement Thursday that would prohibit the companies from fixing the prices retailers use to advertise or sell their shoes to consumers. In a separate deal with states, the companies have agreed to pay \$9.5 million to help refurbish public athletic facilities and donate athletic equipment to organizations across the country. Reebok denied any wrongdoing.

Dividends/Earnings

Atlanta-based **Medaphis Corporation** (NASDAQ:MEDA) Thursday announced that its Board of Directors has declared a two-for-one split of the outstanding shares of Medaphis Corporation common stock. The stock split shall be effected in the form of a stock dividend payable on May 31, 1995 to stockholders of record as of May 24, 1995. Stockholders will receive a stock dividend in the form of one additional share of Medaphis common stock for each share held on the record date. The total number of shares outstanding after the split will be approximately 42.3 million.

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Auto agreement seems unlikely

Clinton warns of 'strong response'

The Associated Press

WHISTLER, British Columbia — Negotiators from the United States and Japan voiced increasing pessimism Thursday over chances of agreement in a contentious trade fight involving autos, while President Clinton warned of a "strong response" if no deal is reached.

The administration continued to insist that Thursday and today represented the make-or-break period for its 20-month campaign to force open Japan's market to American-made vehicles and auto parts.

Without significant progress, officials said, the president's National Economic

Council was likely go forward with a list targeting more than \$1 billion in Japanese products for punitive tariffs in the largest such trade action in U.S. history. The council is scheduled to meet over the weekend.

In Washington, meanwhile, Clinton told the Detroit Free Press that "the United States is committed to taking strong action" if no deal is reached.

He said the hard-line negotiating stance taken by U.S. Trade Representative Mickey Kantor "is my line, it is my conviction."

"I have worked for over two years on this," Clinton said in an interview for today's editions of the Free Press. "We've tried all those other things and they have not worked, so we are going to have to be very strong; and to be strong you have to be prepared to take strong

action if your words fail."

The administration has sounded an increasingly hard-line negotiating stance since America's deficit with Japan swelled to \$66 billion last year, nearly 60 percent of that in automotive trade.

The Japanese have complained about unilateral bullying on the part of the Americans. They insist that if a sanction list is published, they will refuse to negotiate further and instead bring an unfair-trade case against the United States with the new World Trade Organization in Geneva.

Kantor and Japanese Trade Minister Ryutaro Hashimoto, who met for six hours on Wednesday, left Thursday's auto negotiations to their aides to thrash out technical questions. The two top officials were scheduled to resume their direct talks today to see if there is any chance

for a breakthrough.

The United States is demanding agreements in three areas — a pledge by Japanese companies to buy more U.S. parts, an increase in the number of dealerships selling U.S. cars and relaxation of inspection regulations viewed as blocking the sale of foreign-made replacement parts.

A senior U.S. official, speaking on condition of anonymity, said negotiators spent a good deal of time Thursday discussing Japanese safety regulations. But movement was slow, he added.

If the talks fail to produce progress today, officials said, a sanctions list could be published as early as next week covering more than \$1 billion in Japanese products. The punitive tariffs of 100 percent would take effect 30 days later.

Building a future



Hal Jackson hangs lights for the 'Installation and Dismantle' company exhibiting at the Southern Building Show Thursday at the Cobb Galleria Center. Jackson lives in Atlanta and travels to shows with the company.

Annual trade show explores 'New Frontier'

By Tom Brooks

Marietta Daily Journal Staff Writer

Custom homebuilder Steve Kampney of Lexington, S.C., hopes to soon use a laptop computer loaded with the latest design software to help his customers see realistic images of what they want built. A laptop capable of presenting a virtual reality tour of a home would be "one hell of a sales tool" in the competitive home building market, he said.

Kampney is one of more than 3000 homebuilders attending the second annual Southern Building Show at the Cobb Galleria Centre which began Thursday and runs through Saturday. "Discover the New Frontier" is the theme of the show, and several of those attending it said they're well-aware that the demands of the homebuilding market require them to be either up-to-date or sink.

The trade show, which is sponsored by *Southeast Homebuilder & Remodeler* magazine of Tallahassee, Fla., is being held in conjunction with The Southern Building Conference, an educational conference in which building professionals are conducting seminars on such topics as home automation, customer service, construction management and building codes.

The exhibition portion of the show, which is free and open to the public, opens today with more than 100 businesses featured. Fees for the seminars are \$50 per day, payable at the show.

"The consumer is looking for value in

Recent innovations in the homebuilding industry include steel frame construction, increasingly sophisticated computer-aided design (CAD) software, and advanced management techniques.

their home," said Paul M. Thompson, publisher of *Southeastern Homebuilder & Remodeler*, and builders need to be aware of "the innovations in the industry" and the needs of more demanding and savvy homebuyers. The Southern Building Show is an opportunity for regional builders "to meet the most knowledgeable people in the industry," he added.

Recent innovations in the homebuilding industry include steel frame construction, increasingly sophisticated computer-aided design (CAD) software, and advanced management techniques.

Several of those at the conference Thursday said that the days of builders calling most of the shots are gone, and that effectively communicating with homebuyers and people in the building industry are vital to be competitive.

"Builders are spending more on teaching their people how to talk to their

customers, how to answer questions, consult with the buyer" and related skills "than ever before," said Janna E. Mansker, a consultant with Atlanta-based Organizational Development Associates Inc. Ms. Mansker was the speaker Thursday afternoon for a seminar called "Why Hire People to Drive You Bonkers: A Guide to Hiring and Training" and is slated to make a presentation this morning entitled "The Payoff in Total Quality Management."

More homebuyers are wanting to live in a community instead of a mere subdivision, said Richard C. Munden, a marketing and sales consultant for RC Munden Realty and Associates of Lithonia. "The marketing is really coming down to creating a strong visual" impression for homebuyers, he said, so that they can see themselves in a community with the amenities that they want. The successful homebuilder must pay attention to making home communities attractive, he said, by making entrances, streetscapes and common areas appear inviting.

Respecting what homebuyers want is a key to success for today's builder, Kampney, who builds new homes and renovates historic ones in the Columbia, S.C., area, said. Now that families often can play a computer simulated game of golf and other things on their computer, it doesn't make sense to make presentations of what is being built for them by unrolling home plans, he said.

Area code change worries businesses

The Associated Press

ATLANTA — It's a subtle change — just three digits — but the impending switch to a new area code is threatening to turn suburban Atlanta on its ear.

"Why are they picking on us?" said Benjamin Reyes, manager of a Domino's Pizza in Chamblee, one of the few communities inside Atlanta's Interstate 285 perimeter that will have to abandon the 404 area code for the new 770 code.

They're not just picking on Reyes. In all, 1.5 million businesses and residents circling Atlanta will have to change because nearly all of the available numbers in the 404 area code are already used.

It promises to be a chaotic transition. Although Virginia is approaching a July change with few problems, businesses in southern Alabama are suing over a similar area code split there. And in Washington state last week, utility regulators extended the switch-over deadline because some large businesses need more time to rework their switchboards.

Already, metro Atlanta businesses are tallying the cost of modifying equipment, advertising, stationery and business cards.

"It's going to be a clerical and administrative nightmare," said Tom Gifford, owner of Gifford Electronics in Kennesaw.

The change — approved by the state Public Service Commission last month — is scheduled for December. Most of Atlanta inside I-285 will remain 404 and calls between 404 and 770 will remain toll-free. But such calls will require 10 digits instead of seven for local calls.

Some companies will have to reprogram switchboards called PBXs. For some, the biggest impact will be image — they'll no longer have the area code assigned to Atlanta's fast-paced core.

But it's the cost of reprinting letterhead and other materials that worries most businesses. NationsBank, which has dozens of branches in both zones, has only to change business cards — computers print address and phone information individually on each piece of correspondence, said spokeswoman Julie Turner.

But Country-Fed Meat of Riverdale, which receives 1,800 calls from around the country each day, expects to pay \$10,000 to change advertising and other printed materials, said spokesman Ron Wolf.

Southern Bell itself expects to spend \$9 million on the change, reprogramming computers, redoing billing systems and adding the new code to phone directories.

Murdoch clears major hurdle

Gets to keep Fox stations, but network's future not settled

The Associated Press

WASHINGTON — Rupert Murdoch won a major battle Thursday in his fight to hang onto his Fox television network. But to make his victory complete the media baron must persuade regulators to do something they have never done — waive foreign ownership restrictions for a broadcast company.

Murdoch said he was confident he could do that and would ask the Federal Communications Commission for such a waiver within the next week.

In a decision that permits Murdoch to keep all eight TV station licenses he now holds, the FCC ruled 5-0 that Fox did not deliberately conceal information about its ownership structure a decade ago when the company, whose parent is

Australia-based News Corp., sought permission to acquire stations that formed the backbone of the network.

The National Association for the Advancement of Colored People, which prompted the FCC's investigation into Fox nearly two years ago, has said the company did mislead the FCC, intentionally masking its true corporate structure.

It was not clear whether the NAACP, which declined to comment on the ruling, would appeal.

"The staff investigation found that Fox did not clearly or explicitly disclose the extent of News Corp.'s equitable interest until May 23, 1994," said FCC general counsel William Kennard.

"Nevertheless, the totality of the evidence does not support the con-

clusion that a hearing is needed to determine whether Fox intended to deceive the commission. The record, taken as a whole, does not raise a substantial question about Fox's intent."

"We are very happy we have that behind us," said Murdoch, chairman of News Corp.

But the commission also determined that News Corp.'s 99 percent stake in Fox violates a restriction on foreign ownership. In 1985 the FCC ruling did not specifically address whether News Corp. was in compliance.

The FCC gave Murdoch a choice: Reduce News Corp.'s stake in Fox to 25 percent or seek a waiver from the foreign ownership restriction.

Murdoch accused the FCC of "changing the goalpost in the

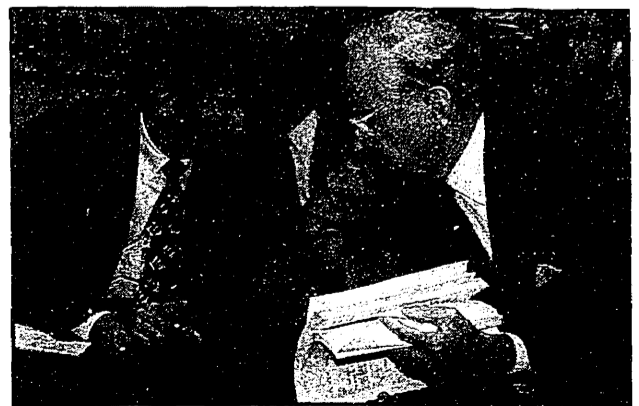
interpretation of the law."

"We believe that the decision in 1985 was quite correct and any retrospective changes of it is unfair and unheard of," he said.

Murdoch, a naturalized U.S. citizen, said he will seek a waiver to the 61-year-old law that generally limits a foreign company from taking more than a 25 percent stake in a U.S. broadcasting company.

If News Corp. were forced to restructure, it would incur a tax liability amounting to "many hundreds of millions of dollars," he said.

Murdoch will have 45 days to make a case that a waiver of the limit is in the public interest. The NAACP and others will have a chance to comment.



Fox Television head Rupert Murdoch, right, huddles with Preston Padden, president, network distribution, during a hearing of the Federal Communications Commission Thursday in Washington. The FCC ruled 5-0 Thursday that Fox did not mislead the commission a decade ago about its ownership structure when he sought permission to acquire six television stations.