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EASTERN EDITION

TUESDAY, APRIL 4, 1989

PRINCETON, NEW JERSEY

Business

J.S. Caught
and Smuggler
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Mid-east Nations
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in the Garbage

AM M. CARLEY
WALL STREET JOURNAL
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ilistic missiles that could
s five minutes or so.
ised in Cairo, Mr. Helmy,

What's News—

Business and Finance

CITIZENS & SOUTHERN rejected NCNB's buy-out offer of \$39 a share, or \$2.4 billion, calling it "inadequate." A battle is now expected between the two Southeastern banking giants. Still, Atlanta-based Citizens invoked a Georgia anti-takeover law, which may force NCNB to reach an accord with Citizen's board.

(Story on Page A3)

Corporate raider T. Boone Pickens has turned his sights on Japan, buying 20.2% of an auto-parts maker tied to Toyota. The surprise move, one of the first big hostile investments there by a foreigner, was called "greenmail" by Tokyo analysts, though the practice is common in Japan.

(Story on Page C1)

Brokers in Gibraltar financial securities claimed that federal regulators may have prematurely seized the firm's thrift units. The issue may become common under Bush's proposed revamping of thrift regulation.

(Story on Page A4)

SmithKline's stock surged \$4.75, to \$65.625, on speculation that a rival bid may emerge for the drug company, which is planning a partial merger with Beecham Group of Britain.

(Story on Page A4)

Construction outlays appear to be slowing due to higher interest rates, two reports show. Building contracts slid 7% in February, while spending was the weakest since August.

(Story on Page A2)

The dollar declined, partly in reaction to the Group of Seven's statement Sunday against a stronger currency. Stocks and bonds rallied on expectations that the economy is slowing and putting less pressure on inflation.

(Story on Page C1)

Chrysler has begun offering zero-interest financing on two-year car loans to boost sagging vehicle sales. But Chrysler's rates on longer-term loans are the same or not as low as those offered by GM and Ford.

(Story on Page A12)

Burger King hired away Hardee's marketing chief, Gary Langstaff, to revitalize its advertising and promotion efforts. Burger King also cut 35% of its headquarters and field staff.

(Story on Page B4)

Six of the 12 jurors in the GAF stock-manipulation trial favored acquittal, according to jurors. The case ended in a mistrial two weeks ago.

(Story on Page B8)

World-Wide

BUSH EXPRESSED support for a "properly structured" Mideast peace parley.

The president, following a White House meeting with Egyptian President Mubarak, said such an international conference "could play a useful role at an appropriate time." While Arab leaders have pressed hard for such a forum, which would include the U.S. and Soviet Union, Israel remains opposed. Bush also urged Israel to end its occupation of the West Bank and Gaza Strip, and backed "achievement of Palestinian political rights." (Story on Page A24)

Mubarak dismissed Shamir's proposal for Palestinian elections in the occupied territories to choose representatives for talks with Israel.

WRIGHT HAS RECEIVED substantial "gifts," a special counsel said.

The House ethics committee was told by the special counsel investigating Speaker Wright that many of the benefits received by the Texas Democrat and his wife from businessman George Mallick amount to substantial "gifts," estimated at \$100,000. It would violate House rules if Wright accepted gifts valued at more than \$100 a year from any person with "a direct interest in legislation." Deliberations on the case are to resume tomorrow. (Story on Page A24)

The panel appears to be focusing not only on a car and apartment made available to Wright and his wife but also on her salary from Mallick businesses.

GORBACHEV AND CASTRO HELD day-long discussions in Havana.

A Soviet spokesman said the Kremlin leader and the Cuban president talked about the "enormous debt plundering the economies" of Latin American nations. Gorbachev, on his first visit to Moscow's Caribbean ally, also reported on the Soviet Union's recent multicandidate parliamentary elections. Castro has openly criticized Gorbachev's program of political, economic and social restructuring for borrowing too much from the capitalist world.

Gorbachev and Castro began their talks after a wreath-laying ceremony at the monument to Jose Marti, Cuba's national independence hero.

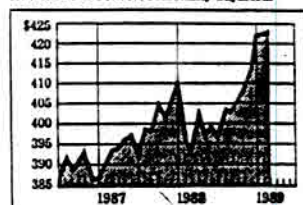
Rebel soldiers in Haiti occupied the airport outside Port-au-Prince and demanded the release of their commander, one of four military officers accused of leading an unsuccessful coup over the weekend. The troops, members of the elite Leopards Battalion threatened to reduce the capital "to ashes" unless their demand was met.

Black nationalist guerrillas battled South African-led security forces along a 180-mile front in northern Namibia in a third consecutive day of fighting that threatens to undermine a U.N. peace plan. Nearly 150 people have been reported killed. Both sides called on U.N. Secretary General Perez de Cuellar to take action to end the violence.

Alaska said it will object to a Coast Guard plan that could allow tanker traffic to return to normal as early as Thursday at a terminal near the site of a massive oil spill. Meanwhile, a lawyer for the tanker captain being sought on charges related to the March 24 accident began negotiating his client's surrender. (Story on Page A3)

Construction Spending

In billions of dollars, seasonally adjusted.



SPENDING for construction rose in February to a seasonally adjusted annual rate of \$423 billion from a revised \$422.8 billion in January, the Commerce Department reports. (See story on page A2)

That Thingamajig In the Bath Means You Have Arrived

At \$300 a Day and Higher,
Luxury Hotels Provide
Bidets and Much More

By JOAN LEDOW

Staff Reporter of THE WALL STREET JOURNAL

NEW YORK—On the corner of Fifth Avenue and 55th Street, strategically centered between the Museum of Modern Art and Tiffany's, on land leased for close to \$5 million a year, stands the new and still-obscure Peninsula Hotel.

Best bring money. This is luxury class. Rooms go from \$210 a day for a single to \$325 for a smallish double and \$2,300 for the fanciest suite.

You will check in at a leather-trimmed writing desk and never set eyes on anything so crass as a cash register or a mall slot. Your bathroom will have a bidet. Telephone messages will be brought to your room on a silver platter by a bellman wearing white gloves and a pillbox cap. At breakfast you will descend a curved lobby staircase past faux marble walls to a rose-hued dining room overlooking the Avenue; even a lowly basket of bran muffins is served by a waiter in tails.

Wacky Economics

The little touches mean a lot in luxury hotels like the 248-room Peninsula, where the goal is to pamper you endlessly at premium prices. But don't conclude that the Peninsula is profiteering. Far from it. The place cost its owners \$127 million—or \$512,000 a room—to buy last fall. Its occupancy rate is only 50%. Hotel and real-estate economists figure it needs to fill 70% of its rooms at an average daily charge of more than \$400 to break even. You are being subsidized.

Thanks in part to Donald Trump and the Sultan of Brunei, the economics of the grand-hotel business have turned a little wacky. "Luxury hotels don't make sense economically," says J. Paul DeMyer, a hotel consultant for the Los Angeles accounting firm of Kenneth Leventhal & Co. and a frequent guest at luxury hotels.

For years, hotel buyers were guided by this rule of thumb: The purchase price per

Luxury Hotels

HOTEL	TOP RATE DOUBLE ROOM
Plaza Athenee (New York)	\$375
Waldorf Towers (New York)	370

Labor Letter

A Special News Report on People
And Their Jobs in Offices,
Fields and Factories

WHY DO Japanese bosses share blame while Americans hang tough?

Haruo Yamaguchi, president of Nippon Telegraph & Telephone Corp., typifies the Japanese response when companies are embarrassed by public scandals: He cut his own pay, even though he wasn't at fault. In the U.S., by contrast, collective guilt is an alien notion, declares Joe O'Donnell, chairman of Campbell-Mithune-Esty Advertising Inc. "Our culture is based on the acts of individuals," he says. Management's role "is to explain what is acceptable and what is not," he asserts; when someone strays only the guilty pays.

Bruce Wilkinson, president of CRS Sirrine Inc., thinks we're actually tougher here; "we tend to throw them out." Bu John Peterson of recruiter Russell Reynolds Associates says "it's unfortunate" but Americans don't believe in sharing blame. "People here don't have that kind of commitment to an employer," he states.

Some executives deride corporate guilt. Will "the paper alone for every typo?" a Chevron spokesman sniffs.

CORPORATE RECRUITING is brisk on college campuses.

At Wayne State University, 260 companies set interviews, up 27% from 1988. General Motors Corp. is there for the first time in five years. The University of Iowa finds companies are "coming earlier and it's more intensive effort." Iowa, too, sees some old faces. John Deere & Co., which had been absent for years because of the farm slump looks now for marketing majors.

Reflecting the more intensive search some areas, Pall Corp. in New York invites 60 colleges to a recruiting conference, quadruple the invites of last year. North of Chicago, Lake Forest College says it gets more recruiters because companies are starting to look at small schools. Northwestern University, which surveys employers annually, says companies nationally will boost hiring of fresh baccalaureates by 8% this year; starting salaries will be up 4.6%.

DADDIES, TOO, have needs that companies fall to answer, researchers say.

With more dual-career families, men's roles are changing just as much as women's, contend Douglas Hall and Kat Kram, professors of organizational behavior at Boston University School of Management. As a result, they say, many male executives—even some on a recognized track—are trying to establish a balance their lives: leaving work earlier, shunning travel and spurning promotions that mean unacceptable demands on family time.

Felice Schwartz, president of Catalytic which seeks to foster careers for women stirred up a storm recently by suggesting that companies recognize separate career paths for women who want to combine motherhood with work. But men, too, look for "multiple choices," Ms. Kram maintains. And companies have generally failed to recognize this need because, says Hall, "it isn't considered legitimate for men to talk about family concerns."

A corporate culture that says executives must give their all or nothing "is ridiculous," Mr. Hall insists.

ONE IN FOUR companies lets workers tailor their own benefit packages, and tally will grow to one in three by year, consultant A. Foster Higgins & Co. say.

HOTEL	TOP RATE DOUBLE ROOM
Plaza Athenee (New York)	\$376
Waldorf Towers (New York)	370
Bel-Air (Los Angeles)	360
Ritz Carlton (Boston)	335
Peninsula (New York)	325
Mandarin Oriental (San Francisco)	310
Beverly Hills Hotel (Los Angeles)	305
Carlisle (New York)	300
First class business hotel	\$150-200

Some of the newcomers to the luxury hotel business, says William S. Bahrenburg
Please Turn to Page A14, Column 1

That Thingamajig
In the Bath Means
You Have Arrived

Continued From First Page

One such traveler is Mike Segal, a Los Angeles real-estate investor, who says the prices charged by luxury hotels aren't so

You could call the Regent yupscale. "There's an age group that's now between 25 and 43 that's moving up," says Robert Burns, president of Regent International. "As they age, their taste improves. It's happened in Europe. . . . It's happening in Asia, and it will happen here."

Toy Maker's 4th-Period Loss Narrowed to \$13.6 Million

Sales dipped to \$66.6 million from \$69 million.

328GTS/

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