

Wednesday, June 5, 1996 a

Las Vegas Review-Journal

IN BRIEF

Greenspan vote delayed by debate

WASHINGTON — Senators are struggling to come to agreement on a vote to confirm Alan Greenspan for another term as chairman of the Federal Reserve.

He has been acting in a temporary capacity since his term officially expired March 2. The renewal of his nomination has been held up for weeks, mainly by Sen. Tom Harkin, D-Iowa, who has insisted on three days of debate on the Greenspan nomination, despite an appeal from President Clinton for swift action. Republicans, who control the Senate, have offered Harkin one day, which Harkin says isn't enough.

Democrats were trying to broker an agreement among themselves and Republicans that could allow a set of nominations to come up for a vote as early as Tuesday evening.

Factory orders down slightly in April

WASHINGTON — Orders to U.S. factories shrank slightly in April as demand for aircraft faded, but analysts said other signs were emerging that manufacturing may be shedding its lethargy.

Although orders edged down 0.1 percent, the decline was due to the loss of volatile aircraft sales. Excluding transportation, orders posted the biggest monthly gain in nearly two years — 1.9 percent.

"After a bad year, I think things are looking up," said economist Mark M. Zandi of Regional Financial Associates in West Chester, Pa.

A buildup of stocks on shelves and backlogs late last year resulted in reduced orders and a slowdown in output and manufacturing job growth. But analysts contend the excess inventories now have largely been sold off, setting the stage for more orders and increased production.

CEC Industries buys Auto Express

CEC Industries Corp. of Henderson has agreed to buy Auto Express Inc., a Colorado company that transports vehicles throughout the United States.

Auto Express will be a wholly owned subsidiary of CEC Industries, a land development firm with a 24.5 percent stake in the \$21-million Housing and Urban Development project at Lake Mead Drive and Boulder Highway.

Gerald Levine, CEC Industries president, said the purchase of Auto Express stock will bring about \$350,000 in monthly cash flow to his company and enhance shareholder value.

Concierges irreplaceable

NEW YORK — Even the computer technology of tomorrow won't be a match for a good concierge, hotel managers predict.

A survey of hospitality industry leaders worldwide found 88 percent believe technology will allow better delivery of products and services.

"But the majority of respondents indicated that you can't take the 'host' out of hospitality, as 87 percent agreed that human beings are still the key to delivering high quality service," said Roger Cline, worldwide director of hospitality consulting services for Arthur Andersen.

AT A GLANCE

June 4, 1996

DOW (Industrials)	NYSE
▲ 5665.71	▲ 360.80
S&P 500	AMEX
▲ 672.56	▲ 607.44
▲ 4.88	▲ 1.27
S&P MidCap	NASDAQ
▲ 241.98	▲ 1243.68
▲ 2.22	▲ 2.25

NYSE Diary

Advances:	1,448	New highs:
Declines:	909	107
Unchanged:	787	New lows:
Total issues:	3,144	17

Composite volume: **463,525,850**
1995 avg. comp. vol.: 422,909,640

GOLD: \$387.50, off \$2.70
SILVER: \$5.165, off \$0.193

Safety agency takes Chrysler to court

□ The automaker is being sued for refusing to obey a recall because of unsafe seat belts in some models.

By Catherine O'Brien
Associated Press
WASHINGTON — The government told Chrysler Corp. on Tuesday to recall more than 91,000 Chryslers and Dodges because of unsafe seat belts, then went to court to enforce the order after the company refused to go along.

Chrysler had told the National Highway Traffic Safety Administration months ago that it would not comply with any recall of the 1995 model cars. That prompted the Justice Department to file a federal civil lawsuit to force the company to notify owners and fix the Chrysler Cirrus and Dodge Stratus cars for free.

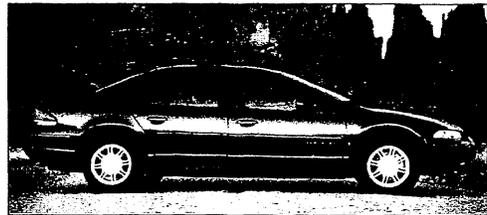
This is the first time the government

has taken such action based on its own safety tests, though the traffic safety agency has taken manufacturers to court on eight previous occasions for alleged defects based on accidents and engineering analysis. The government has lost only one of those cases.

In January, the government determined the cars' rear seat belt system was not strong enough because a weld nut anchoring the belt pulled out of the floor of a 1995 Chrysler Cirrus during a routine test. The same system is used in the Dodge Stratus.

Chrysler lawyer Lewis Goldfarb said the court battle has implications for all automakers because the testing procedure wasn't clear on what the company had to do to comply.

Chrysler officials also said in a statement that on the road, as opposed to a government test, "there has not been a single incident of rear seat belt anchor failure, injury or complaint."



The 1995 Chrysler Cirrus, seen in a company photo, is among the 91,000 cars being recalled for unsafe seat belts. Dodge Stratus models are also on the list.

"We're taking a huge public relations hit. This has to be real important to this company," said Goldfarb in a telephone interview from Auburn Hills, Mich.

Please see RECALL/2D

Las Vegas retail space booming

□ National chains new to the valley are leading the way for commercial development in the area.

By Monica Caruso
Review-Journal
Shopping centers anchored by grocery and drug stores will dominate local retail development this year, according to a new real estate report.

There are about 20 prospective centers anchored by such stores in various stages of development, CB Commercial Real Estate Group said in its Las Vegas Market Forecast for 1995 and 1996.

Walgreens, a major drugstore chain that is new to Las Vegas, will have eight locations open this year, CB Commercial said.

Residents can expect to see more competition among video stores as Hollywood Video and Video Update move into the market, signaling the end of "mom and pop" video retailing, it said.

National restaurant chains coming to the area include Brinker International's Cozymel, Lawry's Rib Country Style, Country Star and Copeland's New Orleans.

"Overall occupancy rates continue to climb with large space construction being done on a build-to-suit basis and pre-leasing of shop space adjacent to the anchors being virtually 100 percent (leased) prior to construction. This will continue to provide a healthy retail market for the Las Vegas Valley well into 1997," the report said.

About 6.64 percent of Las Vegas' retail space is empty, but vacancy rates vary from 4.8 percent in the southeast to 13.1 percent in the northeast, the report said.

Average rents for new retail space have risen from about 98 cents a square foot in 1985 to \$1.55 in 1995, CB Commercial said.

Other real estate sectors are also strong, the company added.

More than 1 million square feet of office space is under construction or planned, giving Las Vegas almost 10 million square feet by early 1997.

Much of the office development is in the southeast, northwest and near McCarran International Airport, particularly along highways. Rental rates for new space average \$1.85 to \$2.10 per square foot, the company said.

Office-space vacancy will remain low because many new projects are pre-leased. The vacancy rate will remain less than 12 percent this year.

More than 6 million square feet of industrial space is under construction this year. More than 5 million square feet is speculative space available for lease; the rest is build-to-suit.

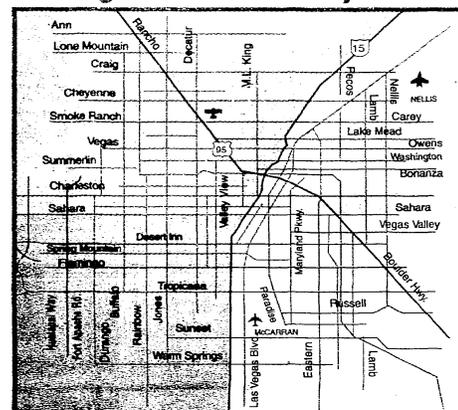
Tribe leader open to land swap offer

□ The Oneida Indian Nation is negotiating a deal with New York that would exchange land for a casino.

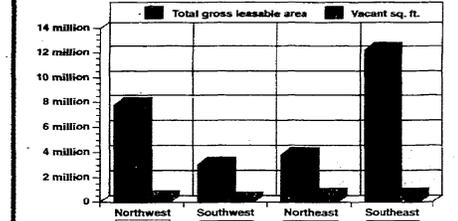
By Michael J. Martinez
Associated Press
ALBANY, N.Y. — A top leader of the Oneida Indian Nation said Tuesday that land claim negotiations with the state administration could include a deal involving the expansion of Indian casinos.

Oneida representative Ray Halbritter, speaking at a public hearing on casino gambling in New York, would not rule out dropping or reducing land claims in exchange for the opportunity to open casinos off Indian reservation land.

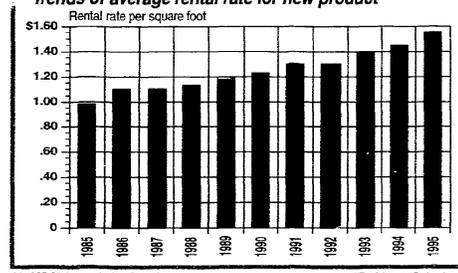
Las Vegas retail market by district



Vacant square footage - July 1995



Trends of average rental rate for new product



Proposal may hurt workers

□ Bills rewriting worker classification rules may cost many their benefits, such as health insurance.

By Dave Skidmore
Associated Press
WASHINGTON — Republican legislation rewriting the rules on classifying workers as employees or independent contractors could endanger the pensions and health insurance of many, lawmakers were told by union leaders Tuesday.

Worker classification provisions under consideration for a tax bill tied to the minimum wage increase are intended to unsnarl rules regarded by many small businesses as an administrative nightmare.

But union leaders caution the proposed solution could have disastrous unintended consequences, particularly in the construction industry.

"This is not some abstract tax issue," AFL-CIO official Robert A. Georgine said in a statement to the House Ways and Means oversight subcommittee. "It is very real, and it is hurting real people."

Two bills, one sponsored by Rep. Jon Christensen, R-Neb., the other by Rep. Jay Kim, R-Calif., would make it easier for unscrupulous employers to deliberately misclassify employees as independent contractors, depriving them and their families of eligibility for such company-provided, tax-free fringe benefits as health insurance, pensions and life insurance, said Georgine, president of the AFL-CIO Building and Construction Trades Department.

Whether a worker is anyone from a carpenter to a computer programmer — is an employee or independent contractor is an important question, for both workers and the companies hiring them.

Please see WORKERS/2D

Unocal forms partnership with Rebel Oil

□ The deal creates the second-largest gasoline retail company in Southern Nevada behind Arco.

By Hubble Smith
Review-Journal
Unocal 76 has solidified its position as the No. 2 gasoline retailer in Southern Nevada by forming a long-term partnership with Rebel Oil Co. Inc. of Las Vegas.

Under Tuesday's agreement, nine Rebel Oil outlets in Las Vegas will be re-branded under the Unocal name, and five new Unocal facilities will be built. Rebel Oil convenience stores will still operate under the Rebel name. Details of the agreement were not disclosed.

Rebel Oil operates 15 stations in Las Vegas and one in Henderson. Unocal has six stations, including a Protech Auto Service Center, and a truck stop in Las Vegas.

Atlanta, Richfield Co. remains the No. 1 gasoline retailer in Southern Nevada, with a 40 percent market share.

Lawrence M. Higby, president of Unocal's 76 Products Co., said that teaming with a well-known and respected company such as Rebel reinforces Unocal's commitment to the community.

"We've been proud of our relationship with Rebel Oil over the years, and we're impressed with Rebel's commitment to community involvement."

Please see UNOCAL/2D

Please see ONEIDA/2D

OPEC showdown possible when Iraq resumes oil sales

Associated Press

VIENNA, Austria — Iraq hopes to be back in the oil market by the end of the month, pumping more crude than fellow OPEC members would like to see, oil minister Amr Mohammed Rasheed said Tuesday.

"We are ready," Rasheed said, passing his way through a crowd of reporters as he arrived for the OPEC meeting that opens Wednesday.

Rasheed's comments and remarks from other OPEC sources suggested the cartel could have a battle on its hands as it tries to find a way to ease Iraq back into the market after a six-year United Nations embargo imposed over Iraq's invasion of Kuwait.

Other members of OPEC are willing to discuss raising the cartel's production ceiling by 700,000 barrels a day to accommodate Iraq, an Iranian delegate said.

"Iraq has the right to be back," the Iranian said on condition of anonymity, adding that Iraqi production can be expected to increase dramatically with time.

An additional 700,000 barrels would give Iraq an OPEC production quota of 1.1 million barrels per day, including 400,000 for domestic use.

Rasheed said Iraq is actually pumping 700,000 barrels daily and wants to boost its OPEC limit to 1.5 million barrels. Rasheed said Iraq has already lined up some customers for its oil, but he would not identify any.

A senior Iraqi source indicated his nation is more interested in raising cash rather than any quotas the others in OPEC might agree to.

"The quota is their problem," the Iraqi said, also on condition of anonymity. "It is an OPEC problem. It is not an Iraqi problem."

Oil traders were apparently unconcerned about Iraq flooding the market, however, as they pushed futures prices higher Tuesday.

Although the last details of a U.N. deal to let Iraq sell oil to buy food and medicine are not finalized, OPEC now faces a moment it has long dreaded.

Before invading Kuwait, Iraq was producing 3.4 million barrels a day — and its long absence from the market has given the others — particularly Saudi Arabia — room to increase pumping.

The U.N. deal specifies that Iraq can sell \$2 billion of oil over 180 days, which will mean more barrels per day if the price falls.

Analysis says the Iraqi crude could push prices sharply lower if other OPEC members don't cut back their own production — always a delicate issue and one the ministers would prefer to avoid.

Rasheed said before leaving Amman, Jordan, for Vienna that he wants to work with the others to maintain stable markets. Prices have been firmer than expected recently, and OPEC doesn't want to run the risk of spooking the market.



Associated Press

Saudi Arabian Oil Minister Ali Naimi enters a hotel in Vienna, Austria, for the 100th OPEC meeting.

Oneida

From 1D

Oneidas are still interested in bringing a casino to that area.

"The benefits of casino gambling, you just can't deny them," said Halbritter. "Our success has shown the state that these enterprises can contribute to the economy."

Halbritter spoke on the success of the Oneida Nation's Turning Stone casino at the state Task Force on Casino Gambling hearing, one of three to be held over the next week throughout the state to gauge public opinion on non-Indian casino operations in New York. Halbritter said he did not see a problem competing with non-Indian casinos.

"We know that casino gambling has been good for us," Halbritter said. "I think the people of the state of New York should be allowed to decide for themselves."

Patata created the task force last month to study the effects of casino gambling on Indian land. In addition to economic impacts, the task force is to look at tax revenue, state regulation of gambling, crime impacts, and the effect of casinos on other gambling in New York, such as horse racing and the New York State Lottery.

The task force was created in response to preliminary passage of a state constitutional amendment last year which would authorize regional casino gambling. The amendment must be passed again in next year's legislative session, then gain approval in a

statewide referendum.

Anti-gambling activists said the Aug. 1 deadline gave the task force too little time to complete a comprehensive study of gambling in the state.

"All of these people are commissioners, appointed by the governor," said the Rev. Duane Motley of New Yorkers for Constitutional Freedoms. "They're intelligent people, but they also have to run departments, and they're going to become experts on casino gambling in less than a month and deliver a report?"

Joseph Dalton, president of the Saratoga Chamber of Commerce, told the task force that private casinos did not represent true economic development, because little of the profits were returned to the community.

"Economic development is making cars, not shuffling cards," Dalton said. He added that welfare rolls have grown and crime has increased in areas dominated by casino gambling, such as Las Vegas and Atlantic City, N.J.

Dalton added that the rapid pace of the task force's proceedings left him and other gambling opponents without enough time to prepare their end of the debate.

Task force chairman Robert Sise dismissed that argument.

"This first surfaced when the Legislature passed their amendment last year," Sise said. "They've had a year to come up with whatever arguments they'd like."

Recall

From 1D

The government requires a seat belt system to sustain a 3,000-pound load for 10 seconds. In the government test, the belt pulled out before the 3,000-pound load was attained.

The agency and Chrysler are arguing over the position of the government's testing equipment. The government positioned the equipment several inches farther away from the seat back than the automaker did.

Government documents said Chrysler duplicated the highway safety agency's test and the belt still failed. However, Chrysler said if the testing equipment is placed closer to the seat, the anchor system works properly.

Agency officials say it is well known that they can test the seat belt system from several different positions if a regulation is not specific.

"Our safety standard ensures that seat belts perform properly when used, and provide users at least a minimum level of protection," said agency head Ricardo Martinez.

"Seat belt systems are the most important safety device motorists have to protect themselves in a crash, so it is important that

these devices perform effectively," he said.

The other automakers have supported Chrysler's position through statements made by their lobbying groups, the American Automobile Manufacturers Association and the Association of International Automobile Manufacturers.

It is only by chance that this lack of test procedure objectivity has not produced a conflict before now," AIAM vice president George Parker wrote to the safety agency.

The court decision will be made by a federal judge, who could back the recall order or overrule the agency.

The maximum civil penalty that could be assessed for Chrysler's refusal to recall the vehicles is \$800,000, according to court documents.

The federal agency said Cirrus and Stratus cars manufactured after May 15, 1995, meet the safety standard because Chrysler replaced the weld-nut assembly with a stronger design.

Workers

From 1D

If a worker is classified as an employee, the employer must withhold Social Security and income taxes, match the Social Security tax and pay an unemployment tax. It's much easier for a business to hand an independent contractor a check, leaving the worker with the responsibility of paying taxes.

Also, many worker protections don't apply to independent contractors, including laws covering minimum wage and hours, worker compensation, occupational safety and age discrimination.

The Internal Revenue Service applies a complex 20-point test of who sets working hours and conditions for deciding how to classify workers and a business can easily and innocently guess

wrong. And the consequences, in back taxes and penalties, can drive a small firm into bankruptcy.

"Our nation's small businesses cannot afford the fancy tax lawyer and litigators needed to defend themselves against IRS legal hit squads," Christensen said.

The White House Conference on Small Business last year cited the independent contractor rules as small businesses' No. 1 concern. According to Phoenix accountant Sandra A. Abalos, a delegate to the conference, the IRS from 1988 through 1994 reclassified 483,000 workers as employees, assessing \$751 million in fines and taxes.

Christensen's proposal was not included in a package of small business tax breaks attached to House-passed legislation raising the minimum wage.

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