

Wednesday, June 5, 1996

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 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 new 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 (Industrial)	NYSE
5665.71 +20.00	360.80 +2.85
S&P 500	AMEX
672.56 +4.88	607.44 +1.27
S&P MidCap	NASDAQ
241.98 +2.20	1243.68 +2.50

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

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.

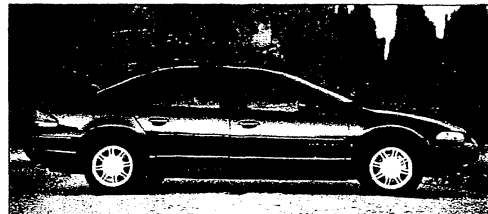
This is the first time the government

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

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 Coyne, 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 fell from 4.8 percent in the southeast to 13.1 percent in the northeast.

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.

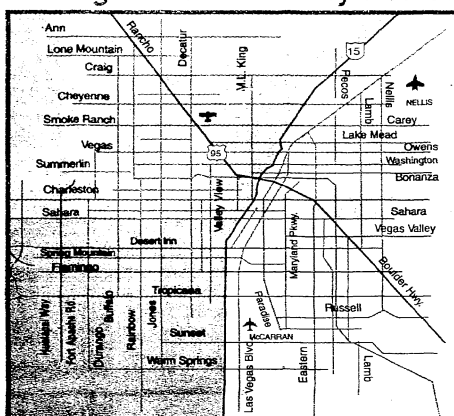
More than 1 million square feet of office space is under construction or planned, giving Las Vegas almost 10 million square feet by early 1997.

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.

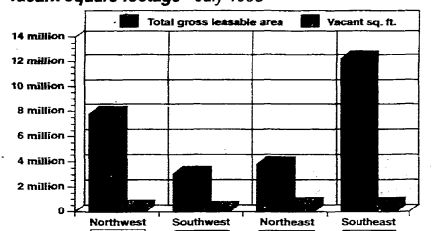
Office-space vacancy will remain low because many new projects are pre-leased. The vacancy rate will remain less than 12 percent this year.

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.

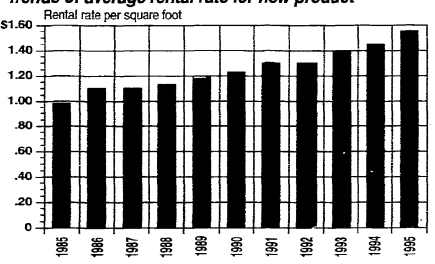
Las Vegas retail market by district



Vacant square footage - July 1995



Trends of average rental rate for new product



SOURCE: CB Commercial Real Estate Group

Mike Johnson / Review-Journal

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

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.

However, Halbritter said the discussions with Gov. George Pataki's aides were private, and negotiations are still in the early stages.

The Oneidas and other tribes have been pressing claims to lands to millions of acres outside their reservations, including in Sullivan County, where the Oneidas and Mohawks have both expressed interest in building a Catskill Mountain casino.

"You can have a casino without necessarily trying it to land claims," Halbritter said, "but it's too early to know where the discussions will lead."

Pataki had no comment about tying land claims to casino expansion, and added he would wait for a recommendation from his recently appointed Task Force on Casino Gambling before taking any action. The commission's final report is due Aug. 1.

Lobbyists and government officials, who have been following the state's negotiations with Indian leaders and spoke only on condition of anonymity, said this week that the Pataki administration seems ready to offer the Indians a half dozen or more casinos in return for settlement of land claims.

Sullivan County in particular has welcomed the idea of a casino on the grounds of the faltering Monticello Raceway. The plan was initiated by the Oneidas in 1995 before problems with their developer caused them to drop the idea temporarily. Although the St. Regis Mohawk Indian Nation has essentially picked up where the Oneidas left off, Halbritter said the

Please see ONEIDA/2D

Proposal may hurt workers

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

By Dave Skidmore

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 unravel 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

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

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.

Alvan 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