

Business

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Briefly

Business

Market watch

What the indexes did

DDW	+12.16
closed at 2669.92	
NYSE	+0.73
closed at 182.22	
AMEX	+0.22
closed at 543.32	
NASDAQ	+1.78
closed at 421.85	
S&P 500	+1.45
closed at 532.25	
WILSHIRE	-513.116
closed at \$3,185.443	

Wall Street shrugs off manufacturing report

NEW YORK — Prices advanced on Wall Street Tuesday as the stock market shrugged off a purchasing managers report indicating strength in the manufacturing sector. The Dow Jones industrial average picked up 12.16 to close at 2,669.92.

The market opened higher but began to lose ground after the National Association of Purchasing Management, which tracks the manufacturing economy by surveying its members each month, said its index had risen to 92.7 percent in April from 91.8 percent in March.

The purchasing managers report reawakened concerns in the financial markets that a stronger economy would allow inflation to accelerate.

N.C. Mutual chairman announces retirement

DURHAM — William J. Kennedy III, the longtime chairman and chief executive officer of North Carolina Mutual Life Insurance Co. in Durham, has announced he will retire June 30 and will be succeeded by Bert Collins, 55, the company's executive vice president and chief operating officer.

Mr. Collins in 1987 joined the company, one of the largest black-managed insurance companies in the United States. He also serves as chairman of the Raleigh-Durham Airport Authority.

Campbell Soup reports 19 percent of staff cut

NEW YORK — Campbell Soup Co. has cut 34 jobs, or 19 percent of its staff, since Jan. 1, as part of "a series of steps aimed at sharing enhancing productivity," it said Tuesday.

The cutback, which the company said would save an estimated \$10 million over the first full fiscal year, reduced the head count at Campbell's Camden, N.J., headquarters to 1,588 from 1,902. The company said that it had terminated 267 employees and that the remaining 67 had left through attrition.

Durham man fined, barred from securities

DURHAM — Thaddeus L. Daber of Durham has been fined \$5,000 by the National Association of Securities Dealers and barred from the securities industry for forging customers' signatures on 40 dividend election forms relating to the clients' life insurance policies, according to a filing with the Securities and Exchange Commission.

The commission said that Mr. Daber, without customer approval, then used the dividend payments for a new life insurance policy in order to generate commissions.

Piedmont Mining buys assets of MMC Holding

Piedmont Mining Co. in Charlotte on Tuesday said it had bought the assets of MMC Holding Inc., a mining company in Ker-shaw, S.C., for \$13 million in cash and notes. The assets bought by Piedmont include South Carolina mineral properties that the company had been leasing from MMC.

In other business . . .

Sara Lee Corp. in Chicago plans to raise up to \$150 million through a periodic offering of preferred shares of stock, the company said in a filing with the Securities and Exchange Commission. Golden Corral Realty Corp. in Raleigh said Tuesday its first-quarter net income had grown slightly to \$20,917, or 22 cents a share, compared with \$19,600 or 21 cents a share, in the same period last year.

GE, Swedes plan research center in Triangle

By JIM BARNETT
Staff writer

A joint venture by General Electric Co. and a Swedish telecommunications maker is planning a research center in Research Triangle Park that will develop a new product for the cellular telephone industry. The 40,000-square-foot center is expected to house 20 professional workers and a small support staff by December, but could begin operations as soon as July. Officials declined to identify the exact location because a lease had not been signed.

The joint venture, known as Ericsson GE Mobile Communications Holdings Inc., is owned by GE and LM Ericsson A.B., a telecommunications company in Stockholm, Sweden. Founded in September, the business has headquarters in Paramus, N.J., and employs 470 people worldwide. Also in Lindqvist, president of Ericsson GE Mobile, said the joint venture would make an initial investment of \$5 million to \$10 million in the center, which will be its only U.S. research operation. Some workers will be transferred to RTP from other operations, but the joint venture also plans to recruit new employees in

the Triangle. Mr. Lindqvist said. In several years, he added, the center could expand to employ as many as 200 professional workers. Initially, researchers at the center will help develop mobile telephone systems for cellular telephone systems, Mr. Lindqvist said. The hands-on work at the center will include development of cellular transmission systems also based on digital technology. GE, with headquarters in Fairfield, Conn., entered the joint venture to gain a foothold in the booming market for cellular tele-

phone products, said Albert E. Turner, an analyst with Duff & Phelps Inc. in Chicago. For years, GE had been a major producer of other types of mobile communications equipment such as radio systems for taxis, he said. But the combination with Ericsson gave it the technology it needed to move ahead in cellular. Mr. Lindqvist said the joint venture recently moved into its New Jersey offices, where it keeps a small staff. But he did not rule out a possible future move of the headquarters to Research Triangle Park. The joint venture has several other operations in the United

States and Canada, the biggest of which are in Lynchburg, Va., and Dallas. In January, GE announced plans to spend about \$120 million refurbishing a vacant Durham County plant to produce parts for aircraft engines. The project, eventually expected to employ 500 to 600 people, is not related to the new research center. In other operations, Ericsson recently has had success in cracking the U.S. market for central office telephone switches. But that business, one of its biggest competitors is Northern Telecom Inc., which bases its central office switch business in RTP and employs 7,000 people in the Triangle.



J.C. Penney Co. and Thalhimer Brothers Inc. will open new stores at Cary Village Mall once an expansion, for which the land has been cleared, is complete in late 1991.



Two new stores and a restaurant are planned for Waverly Place shopping center in south Cary.

Retailers plan to open stores at Cary malls

By C.E. VANDLE
Staff writer

Several new department stores and a restaurant are planned for Cary within the next two years in the face of a flat retail market that has trimmed profits and lowered sales volume throughout the Triangle.

J.C. Penney Co. and Thalhimer Brothers Inc. have agreed to open stores in Cary Village Mall once an expansion is completed in late 1991, said Gary E. McManus, a spokesman for Jacobs Vicosini & Jacobs in Cleveland, the mall's developer.

Mr. McManus added that Sears, Roebuck & Co. was close to signing as a third major new store for the mall, which is at Walnut Street and Maynard Road. Each of the three stores is expected to have more than 100,000 square feet.

The new operations will raise the occupancy level at Waverly Place to about 30 percent for the first time since the 100,000-square-foot upscale shopping center opened more than a year ago. And construction is scheduled to begin in July on Crossroads Plaza, an 80,000-square-foot shopping center at Interstate 40 and U.S. 161. The proposed center will have space for large stores, offering everything from electronics to lumber supplies. The various projects are being

developed at a time when retail sales are flat and the Triangle's population is growing at a rate of less than 3 percent a year. Yet the projects' developers and retailers say they expect brisk sales once their respective stores open.

"I'm not going to talk about anybody else's projects, but we are very confident about the ability of Crossroads to do well," said Joel T. Murphy, a vice president with the developers of Crossroads, New Market Development Company Ltd. in Atlanta. William C. Runtz Jr., president of the North Carolina Retail Merchants Association, says such optimistic attitudes are typical of people in the retail industry.

"Retailers are independent types," he said. "Everybody thinks they can do it better than everybody else." The merchants group reports that first-quarter retail sales in the state were up 1.3 percent this year, compared with the same period last year. When inflation is factored into these figures, it means most Tar Heel retailers are doing no better — and possibly worse — than in 1989.

But the downtown sales figures might not spell trouble for the stores coming to Cary. Instead, the impact might be felt at stores in Raleigh and Durham.

"The Cary market is an up-and-coming market," said James E. Clark, general manager of South Square Mall in Durham. "There are a lot of people who live in Cary who shop in Raleigh and these new stores might offer a shorter commute for them."

The impact could be minimized, however, since none of the stores at Cary Village Mall or Crossroads Plaza will open before late 1991. By that time, industry observers say it is possible the retail market might have rebounded somewhat.

Software from SAS aids Hubble

By NIM R. KENNISON
Staff writer

Scientists can get awfully frustrated when a \$1.5 billion space telescope doesn't work exactly as planned. But with help from software developed by SAS Institute Inc. in Cary, they at least can get a good picture of what's wrong.

Since it was put into orbit last week, the Hubble Space Telescope has developed a handful of glitches, including a bent cable that blocked movement of a dish-shaped antenna.

The bent cable still is in the way, but engineers at a NASA base in Maryland have used a \$3.40 SAS graphics program to draw a model of where the antenna can be pointed without brushing against the protrusion.

"We were mapping out where the antenna can go without getting jammed," said Donovan M. Haxton, a software developer for Lockheed Corp., which built the telescope. "This tells us where the antenna can and cannot be used — the zone of coverage if you like."

The Hubble telescope — designed to give astronomers a view of the heavens unclouded by Earth's atmosphere — has about 7,000 sensors that check temperatures and pressures, as well as opening lidches and the like, Mr. Haxton said. The information is handled by Lockheed software, which in



The Associated Press. Hubble telescope orbits Earth with jammed antenna.

turn sends it to the SAS program. The SAS program has helped smooth several other bugs such as a stock solar panel and other systems that focus the telescope's gaze into deep space, he said. But as scientists wrestled with the antenna problem, graphics drawn by the SAS program became increasingly popular.

"They've come in asking for an awful lot of them in the last couple of days," Mr. Haxton said. "We've done hundreds of them."

He added that engineers at the Goddard Space Flight Center likely would spend another two months getting the telescope ready for use by astronomers.

— JIM BARNETT

First Bancorp in Troy rejects Central Carolina buyout offer

By NIM R. KENNISON
Staff writer

First Bancorp Inc. in Troy on Tuesday rejected a \$38 million offer to be acquired by CCB Financial Corp. in Durham.

That action sent First Bancorp's stock plunging by \$4 a share to close at \$13. In trading over the counter, the stock had risen to \$18.50 last week on news of the bid.

CCB had offered to pay First Bancorp shareholders \$29 a share in a stock swap. CCB has declined to comment on the bid.

While First Bancorp said the bid had been unolicited, some analysts have suggested that the Troy bank might have sought a buyer. They said CCB likely would not have made a formal offer to buy a bank until it had reached an informal agreement with its target's board of directors and management.

Other analysts have said that CCB's bid was low and that they expected First Bancorp to reject the offer, aiming to attract a higher bid from CCB or another institution. CCB offered to pay First Bancorp shareholders a 30 percent premium on their shares.

First Bancorp President J.C. Wallace has not returned repeated telephone calls.

At Dec. 31, First Bancorp had assets of \$200 million. It earned \$1.9 million last year for a return on shareholders' investment of 9.4 percent.

Slight growth seen in manufacturing

The Associated Press

NEW YORK — The U.S. industrial sector expanded slightly during April for the first time in a year, led by sharp gains in new orders and exports, the nation's purchasing managers said in a survey released Tuesday.

Economists said last month's data, although stronger than expected, hardly pointed to an economic rebound. Most of the survey's manufacturers remained reluctant to add new jobs or expand their inventories, they said.

In addition, a government report released Tuesday showed the index of interest rates was depressing construction, a major component of economic growth. Spending for residential, non-re-

denial and government building fell 1.4 percent in March to a 13-month low, the Commerce Department said.

"I still think we're dealing with an economy that is kind of spot-tingled," said Robert E. Brues, chief financial economist for Niko Securities Co. International.

"It may not look like a recession, but you have to draw the line well ahead of cutting it when it comes," he said.

The National Association of Purchasing Management said its economic index rose to 92.3 percent in April from 88.8 percent the previous month.

The index indicates the manufacturing economy generally is expanding; however, that is a generally contracting.

The April reading followed 11 straight monthly declines and was

the highest since last April's 82.7 percent level, the group said in a news release from its Tempe, Ariz., headquarters.

The index has averaged 61.1 percent for the first four months of 1989, consistent with a 1.3 percent rise in the gross national product, the group said.

Robert J. Bretz, chairman of the trade group's business survey committee and director of materials management at Pitney Bowes Inc., said the improvement reflected a significant gain in new orders, particularly in exports.

"The rebound should be sufficient to sustain solid production growth for several months and buoy the entire economy over the balance of the second quarter," he said.