

# Businesses remain in Big Apple despite setbacks

NEW YORK (AP) — The World Trade Center bombing could easily have become another reason for companies to beat up on New York as a hostile place to do business, the explanation many big employers have given for moving out.

But business and political leaders say the remarkably swift response by the world's financial capital to help business victims of the disaster couldn't have been matched by any other city.

Instead of souring more companies on New York, the trade center episode illustrated why the city has managed to retain its allure to businesses.

"This should be seen as a victory for New York City," said Stephen Spinola, head of the Real Estate Board of New York. "We're not going to give up the tremendous advantages of New York City and the World Trade Center to go to the suburbs."

Still, the size and speed of New York's move to help companies affected by the trade center shutdown also reflected the city's nervousness about losing businesses, along with their thousands of jobs and millions in tax revenue.

New York is in its worst economic slump since the 1970s and has gone to extraordinary lengths in recent years to persuade businesses to stay.

It's still the king of cities with corporate headquarters, though its realm is smaller. Last year New York was home to 39 of the Fortune 500 corporate headquarters, compared with 50 five years earlier and 137 25 years earlier.

Exxon, Mobil and J.C. Penney are among the biggest names that have left New York in recent years. Companies have complained about the public schools and high rent, high taxes and high crime.

Last year, New York's five commodity exchanges, which deal in basics ranging from crude oil to cotton, announced they would stay in the city after they got about \$150 million in tax breaks and grants. After the trade center bombing, the exchanges won special exemptions to return to their trading floors, while other tenants remained shut out.

In October, Morgan Stanley Group Inc., one of Wall Street's biggest investment firms, received \$39.6 million in tax breaks after it had looked over the suburb of Stamford, Conn., as a possible new home.

Two months earlier, Prudential Securities Inc. received \$57.8 million in tax incentives and \$48.4 million in energy savings.

Fortune magazine, noting that the city has become

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more affordable for businesses, ranked it No. 5 on its 1992 list of the 10 best cities for business. New York hadn't made the list for the previous two years.

"What happened here Friday can happen any place and has happened," said Preston Robert Tisch, president and co-chief executive of the Loews Corp., a conglomerate with interests in hotels, tobacco and insurance. "They did a fantastic job and kept losses to a minimum."

Tisch said sentiment was upbeat at a business breakfast he attended Monday, along with about 800 politicians and business and community leaders.

"Everyone had the same feeling I did: What we did in New York very few people can replicate," Tisch said.

## Russians swindled, want refund

ST. PETERSBURG, Russia (AP) — An estimated 450,000 people in this city of 5 million had their first brush with capitalism in the form of a gigantic scheme to liberate them of their savings.

Now they want their money back, and their street protests have taken on an increasingly anti-government tinge. Officials have promised some compensation, but worry the swindle could set back Russia's privatization drive.

Police have charged three firms with fraud and are investigating at least nine others. Two suspects have been arrested.

Taking advantage of widespread confusion about Russia's privatization program, as well as of citizens' lack of business experience, the firms promised to take any sum of money and increase it 250 percent in 90 days.

They said the money and vouchers were being invested in various stock and currency exchanges. Russia had issued the property vouchers to most citizens last year as part of its program to sell off state property.

Business was done in run-down, one-room offices guarded by men wearing police uniforms. Applicants attracted by a blitz of television, radio and print advertising stood in long lines to trade their money or privatization vouchers for stamped contracts.

Initially, some investors did get big returns and reinvested

their profits. The flow of money and vouchers allowed the companies to make payoffs, which in turn attracted new investors to the companies.

Then abruptly, the companies vanished.

The victims of the scam held several demonstrations in February. At a protest immediately after the crime was revealed, some tried to break into city hall.

Nadezhda Ivanova, a 39-year-old factory worker, said in an interview last month that she had invested about two months' salary in one company last fall.

"But when we came in January to collect the interest, everything was locked and bolted, and the company had disappeared."

Communist activists have sought to harness the anger of the victims. At a Feb. 26 rally, one demonstrator held up a sign that attacked reformist Mayor Anatoly Sobchak for allowing the "robbery of the people."

Police spokesman Farid Safeyev estimated the number of victims at 450,000 but added: "It's very hard to judge, because every day a few thousand more people turn to us."

The companies were registered but apparently did not have licenses to deal in vouchers and so were not regulated by government agencies that regulate voucher companies.

According to Vladimir Barashnikov, an official of the mayor's privatization committee, the Amaris company disap-

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privatization committee.

peared with about \$1.3 million in rubles and 200,000 vouchers, which have a face value of about \$17 but whose actual value is uncertain. In February, their street value was around \$8.50.

A company called Revanche took 200,000 vouchers and \$500,000 in rubles; Business Navigator took 50,000 vouchers and an unknown amount of money.

"This situation can certainly be used by the opponents of the market economy and opponents of economic reform, by orthodox Communists," said Sergei Belyayev, chairman of the city's privatization committee.

"The main thing is that people don't respond to this provocation," Belyayev said. "It's a strong blow against privatization, and at the outset we even thought it was a planned action."

## Somali women battle to rebuild country

MOGADISHU, Somalia (AP) — Widowed by civil war, struggling to care for their children amid famine, Somali women are demanding a voice in rebuilding a country ruined by the battles of men.

Women's delegations organized by the United Nations plan to take part in an aid conference and peace talks this month in Addis Ababa, Ethiopia.

A U.N. aid package proposal lists women's issues, but so far earmarks only \$500,000 in funding for women's groups.

"We've opened our eyes now; we want to be decision-makers and throw some of those men out of their positions," said Fadhada Abullahi Noor, whose face is drawn and sad, older than her 32 years.

She lost her husband to civil war, her eldest son was killed by bandits and she still has eight young children to feed in Bardera, one of the cities worst-hit by famine.

Mrs. Noor has rented a truck and sold food in a town outside Bardera, joining many of her countrywomen in commerce.

Like mushrooms, rickety corrugated stalls have sprouted along streets in Mogadishu and other cities and many are run by women who sell food, clothing, cigarettes and other items.

Mrs. Noor was among 40 representatives from across Somalia who wrapped up a conference Tuesday that drew up lists of women's needs.

Across the U.N. compound on Tuesday, representatives of the nation's 15 major factions held a cease-fire meeting, all of them men.

The women's conference agreed to set up a coordinating committee between women's groups, which run feeding centers, orphanages and other services. It called for job training centers, local health care workers and more schools.

Women should receive loans and grants to start their own small businesses such as handcrafts, catering and tailoring, women at the conference agreed.

"We need small credit schemes of \$50, \$100 or up to \$500 to get these businesses started," said Zahara Mohamed Noor, a founder of a Somali women's group that runs feeding centers and schools. The Mrs. Noors are not related.

While there are no hard figures on how many widows are caring for their families, "a lot of households are headed by women," said Hawaa El Tayeb, a Sudanese who coordinates women's programs for the U.N. in Somalia.

A U.N. draft proposal for Somali relief and reconstruction this year calls for \$253 million in aid, though so far only \$500,000 for women's workshops, training and assessment of needs.

"I don't think it's enough, but it's a start," Ms. Tayeb said "It's the first document that includes women."

"As the innocent victims of a conflict waged among men, the women of Somalia are saddled with unique added effects of war and famine that require separate and urgent attention," the U.N. draft says.

## Schwarzenegger goes ballistic with ad

CAPE CANAVERAL, Fla. (AP) — Talk about top billing.

Arnold Schwarzenegger's name and the title of his soon-to-be-released movie "Last Action Hero" will be emblazoned on a rocket bound for space this spring.

Columbia Pictures is paying \$500,000 for the far-flung advertisement, which no one will see once

the rocket lifts off.

"Our judgment was that would be worth it," said Mark Gill, senior vice president of publicity for Columbia Pictures. "You see 10 billboards on your way to work every day, I'm sure. That's not unusual. What's unusual is something that breaks through all that clutter, and this certainly does that."

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