

The
Portland
Observer

Business & Finance

Airbus Planning To Sue Boeing

European planemaking consortium Airbus Industrie said Friday it was preparing legal steps against Boeing Co. for remarks it says Boeing made in sales negotiations with Air India.

"We have not yet started legal proceedings but our legal advisors are preparing the matter. We consider that Boeing has made statements that come down to public denigration," an Airbus spokesman said by telephone from corporate headquarters in Toulouse.

"Boeing made remarks which were extremely controversial, coming close to defamation," he said.

"It will now all depend on Boeing, if they come back on their statements then we will reconsider," he added.

"Boeing has claimed that the cruise speed of our A340 is lower than their 777," the spokesman said. "That is not true; their speed is comparable."

At the heart of the matter are fierce negotiations with Air India over a plane order for the company's Medium Capacity-Long Range (MCLR) requirement.

Industry observers believe Air India requires some 10 long-range aircraft seating between 200 and 400 passengers.

Boeing is pitting its newest 777 craft against the Airbus 340 in the latest confrontation between the two companies, which are fighting for dominance of the world civil plane market.

Boeing is still selling more planes than its younger European rival but the four-nation consortium is intent on grabbing at least half of the multi-billion-dollar market.

In the first six months of 1996, Airbus won 48 percent of new orders for planes with more than 100 seats. Boeing took 49 percent and McDonnell Douglas Corp. took the rest.

Both manufacturers have made bids to Air India, but the airline has asked the makers to improve their bids.

The spokesman could not say how long the negotiations with Air India could last nor the size of the order, which he said would be "important."

Air India operates a fleet of Boeing 747 planes and some smaller types,

including the Airbus 310.

Airbus executives have recently said that they saw the market for new planes in the Indian subcontinent — India, Pakistan, Bangladesh and Sri Lanka — at 400 planes worth \$30 billion in the next two decades. Over half will be for India.

Airbus Industrie is a consortium made up of French state-owned Societe Nationale Industrielle Aerospatiale, British Aerospace Plc, Daimler-Benz Aerospace, a unit of Daimler-Benz AG, and Construcciones Aeronauticas SA of Spain.

BUSINESS BRIEFS

Enron to Buy Portland General

Enron says it's signed a definitive agreement to acquire Portland General Corp., in a \$2.1 billion stock deal that will create one of the biggest utility companies in the nation. Coming amid a consolidation in the industry propelled by big customers seeking power from cheaper sources, the deal is anticipated to have a major impact.

Wash Mutual to Acquire Keystone

Washington Mutual says it's signed an agreement to acquire Keystone Holdings Inc. and its American Savings Bank subsidiary in a stock swap. Washington Mutual said the deal would create a banking company with more than \$42 billion in assets, \$23 billion of deposits and 500 offices in seven Western states.

Media General Deal Announced

Media General, capping a year of aggressive growth, says it will acquire Park Acquisitions Inc., for \$710 million in cash. Park Acquisitions is the parent of media conglomerate Park Communications Inc.

US, Japan Agree on Chip Format

Japan and the United States' top microchip makers have agreed on a format for flash memory microchips, joining hands in the race to develop the market for the next generation of electronic devices. Intel and Advanced Micro Devices of the United States and Japan's Fujitsu and Sharp agreed today to standardize the software interface of their flash memories, basically making their products compatible with each other.

Intel to Offer Free Software

Intel says it will begin offering free software that will make it easier for personal computer users to make long-distance telephone calls over the Internet global computer network. The program will be available on the Internet starting Wednesday. It embraces a new technology that will allow users of different computers and telephone software to talk to each other.

Energy Companies Report Earnings

Texaco, Mobil, Amoco and Atlantic Richfield reported strong second-quarter earnings today, as demand surged while oil and natural gas supplies shrank and prices soared. Exxon's profits edged lower from year-ago record levels as the company spent more on capital and exploration, and Occidental Petroleum's results were hurt by lower transport margins.

Sunbeam Shares Recharge

Babies and sun not a good mix. "Children younger than 6 months should not be exposed to sun for long periods and never placed in direct sunlight," said Dr. Jan Drutz, a pediatrician at Baylor College of Medicine in Houston. "In addition, it's not a good idea to take an infant to a sandy beach or a swimming-pool area," Drutz said. "Sunlight can reflect off the water or the sand, causing sunburn even when an umbrella is used." If outside, dress the baby in light-colored clothing.

Japan Carmakers In Continual Slump

Strong domestic demand for recreational vehicles failed to pull Japan's auto industry out of its slump in the first half of the year, when output slowed due to weak demand for sedans and poor exports.

Overall vehicle production in the January-June period fell 4.3 percent from a year earlier to 5.08 million vehicles, industry sources said Friday.

Toyota Motor Corp., the nation's biggest car producer, said its vehicle

production was down 0.5 percent at 1.67 million units.

The company said the figures were about what it expected, adding that it expects car sales to recover in the latter half of the year, when it will launch its mainstay luxury sedan "Mark II" series.

Exports also fell in the first half, slipping 2.5 percent due mainly to lower shipments to the United States, which overshadowed higher exports of the remodelled "Land Cruiser

Prado" and "Starlets" to Europe.

No. 2 ranked Nissan Motor Co. Ltd said its January-June production fell 7.7 percent to 795,043.

Nissan's exports fell 8.3 percent to 274,149 vehicles, with exports to the United States down 14.3 percent at 127,542.

Analysts said the "new model effect" of the "Maxima" wore off, hurting sales.

Mitsubishi Motors Corp. said its vehicle output fell 16.6 percent to

\$93,896 in the period.

Mitsubishi hopes that its new "Galant" medium sedan will help increase its domestic car sales.

Mitsubishi will launch the new "Galant" in the fall.

Honda Motor Co. Ltd's output was little changed, falling 0.1 percent to 512,658. Robust domestic sales helped offset a decline in exports, it said.

PDC Gives Okay To Business Loans

At their monthly meeting Wednesday, July 17, The Portland Development Commission approved loans for three N/NE Portland Business loans that will add between 106 and 132 jobs for residents in the area.

One loan was granted to Footwear Specialties International (FSI), located on N. Page Street. FSI, a spin-off company of AVIA Groups International, designs, develops and markets athletic shoes for the workplace, including non-slip steel toe, reinforced toes and plain toe products. With the AVIA decision to focus exclusively on women's athletic wear and shoes, FSI became the sole distributor of AVIA Workplace Footwear. The company also designs and

develops footwear under the "Nautilus" brand name.

According to FSI President Bruce Feathers, the company plans to hire six to 12 N/NE residents. The \$500,000 loan received from PDC will be used to complete manufacture and purchase of inventory necessary to fill current orders and will be repaid in ten months.

A loan in the amount of \$200,000 was granted to Engineered Particulate Technology Corporation (E.P.T.). The one year old company located on N. Ross St. manufactures intricate metal parts for use in industries including biotechnology, automotive and business machines. The company specializes in metal injection

molding of small metal parts to the purchaser's specifications. The loan proceeds will be used to finance capital equipment and working capital, creating 12 new jobs by the close of this calendar year and projecting an additional 80 to 100 jobs in the next three years.

Neil Kelly Company, INC. a 49-year old quality residential design/remodeling and cabinet service, has been located in PDC's Inner North/Northeast Target area since 1966. In 1995 and 1996, Neil Kelly Company was rated as one of the top 100 companies to work for in Oregon by Oregon Business Magazine and is one of the state's top ten in community involvement.

The company is now planning to expand its showroom and relocate the current cabinet manufacturing operation to leased industrial space on N.E. Martin Luther King, Jr. Blvd. adding about 20 new jobs. In addition, the company has committed to entering into a First Source employment agreement with PDC targeting North/Northeast residents.

PDC's \$800,000 loan will finance the purchase and repair of the property at the current location from the state of the late Neil Kelly by his son, Tom Kelly, the company's President and CEO. The bulk of the loan will be repaid in 18 months.

Big Lender Opens Oregon Office

Bank of Commerce, the nation's leading bank lender to small business, has opened its first office to serve the growing Oregon small business market.

The office, located at 222 S.W. Columbia Street, Suite 1120, is the tenth serving small business in the Western states, according to Steve Mattern, Senior Vice President/SBA Northern Regional Sales Manager.

The office will provide SBA guaranteed loans ranging from \$50,000 to \$2.5 million to a wide variety of Oregon small businesses.

A Pro Found Director



Alberta Thompson

Thompson comes to Portland after successfully owning and operating her own employment agency in Denver that focused on placement for minorities and women. She built her client list into a Who's Who of Denver businesses including Coors, Pepsi, CH2M Hill, Kaiser Permanente, United Artists, and AT&T, among others.

Thompson was also a leader in the community. She was appointed by Colorado's State Governor to the travel Reduction Advisory Board;

selected as Chairperson to the Colorado Black Chamber of Commerce Procurement Committee; appointed to the Minority Enterprise, Inc. Education Committee; designated as "Woman on the Move" in Denver Corporate Magazine; hosted on KCNC-TV special "Black Women Entrepreneurs"; worked with KRMA-TV on a television program to provide employment for GED graduates; and served as a youth mentor to high-risk adolescents on inner-city middle schools.

Airlines Earnings

Continental Airlines and Northwest Airlines reported sharply higher second-quarter earnings today, boosted by small increases in average fares and gains in passenger traffic as the summer vacation season started. Continental, the nation's fifth largest carrier, said the quarter was its most profitable quarter ever.

Northwest, the No. 4 airline, said profits nearly doubled in the quarter, traditionally a strong one for the nation's airlines. While the results exceeded expectations on Wall Street, the stocks of both airlines fell on investors' concerns that a slowdown in the economy could hurt results later this year.

Ryder Earnings Plunge

Ryder System said today its earnings plunged 39 percent in the second quarter and it's negotiating to sell its consumer truck rental unit. The company said it earned \$31.6 million, or 39 cents a share, versus earnings of \$51.4 million, or 65 cents a share, in the second quarter of 1995.

Revenues rose to \$1.4 billion from \$1.3 billion. Ryder said the results in the latest quarter included a charge of 15 cents a share to cover a cost-cutting program.

Excluding those charges, Ryder said it would have earned 54 cents a share.

Maybe we can't make Northeast Portland a perfect place to live. But we're making hundreds of improvements.



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Portland General Electric

Portland General Electric's Employees Seed the Future.

"Seed the Future" is a five year partnership with Friends of Trees to plant 144,000 trees and seedlings around Portland. Those trees will help beautify neighborhoods and purify our air. At PGE, we think a power company can do more than make a profit. It can make a difference.

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Roy Jay & The African American Chamber of Commerce

invite you to an informational meeting to hear CEO, Leon Smith share information about the Albina Community Bank Public Offering of Common Stock.

The stock is priced at an affordable rate to allow for participation by individuals with varied incomes.

Tuesday, July 30, 1996
6:00 - 8:00 p.m.

Roslyns Garden Coffee House
14th Place & Alberta
Light Refreshments

Albina Community Bank, created by civic, business and community leaders with \$4.7 million in initial capital, strives to provide opportunities for participation by local residents in the economic resurgence of North/Northeast Portland through small business creation and home ownership.

They currently reside at their temporary location of 1130 NE Alberta. For questions or to RSVP for the meeting contact Roy Jay at 244-5794 ext. 45 or F.M. Burch & Associates at 281-3771.