

Kroger Approved to Buy Fred Meyer

Must Sell 8 Stores

Kroger Co., the nation's largest supermarket chain, won U.S. Federal Trade Commission approval to buy rival Fred Meyer Inc. for \$13.5 billion after agreeing to sell a total of eight stores in Wyoming, Arizona and Utah.

The companies expect to close the acquisition today. The combination, announced in October, will give Kroger 2,200 stores spanning 31 states from Georgia to Alaska, with combined 1998 sales of \$43 billion.

Kroger, whose roots date back to 1883, now adds the Smith's Food & Drug Stores banner to its Kroger and Ralphs chains. The grocer expects to cut costs by as much as \$225 million a year to help stay ahead of fast-growing rivals Safeway Inc. and Albertson's Inc. and discount retailers such as Wal-Mart Stores Inc., which are stocking more groceries.

"The synergy numbers are better than we thought," said Mark Husson, a Merrill Lynch analyst who rates Kroger a "one-buy." The store sales are about half what he expected.

Kroger and Fred Meyer must sell stores in Prescott, Sierra Vista and

Yuma, Arizona; Cheyenne, Green River and Rock Springs, Wyoming; and Price, Utah. The FTC said the sales preserve competition for food retailing in those markets.

Shares of Cincinnati-based Kroger rose 3/8 to 54 9/16 in mid-afternoon trading. Fred Meyer, based in Portland, Oregon, rose 91 cents to 54 1/2. Kroger plans to exchange one of its shares for each Fred Meyer share.

Cost Savings

Kroger said it expects to save \$75 million in the first 12 months of the combined company's operations, \$150 million in the second year and \$225 million in the third year.

"Kroger is confident that we will achieve our projected synergies," said Kroger Chairman and Chief Executive Joseph Pichler in a statement.

The sale is being completed two months later than analysts expected, Husson said.

The company said it expects the combination to have no impact on earnings per share in the first year, though it anticipates a boost thereafter. Beginning with 2000, Kroger is

targeting per-share earnings growth of 16 percent to 18 percent annually.

Kroger said it will hold the No. 1 or No. 2 market share position in 33 of the nation's largest markets, and will be a "major presence" in 10 of the 15 fastest-growing ones.

Regulators

"Consumers in Arizona, Wyoming and Utah can now be assured that they will continue to receive the benefits of competition — lower prices and good quality and selection — from supermarkets in their communities," said William J. Baer, director of the FTC's Bureau of Competition.

The Kroger-Fred Meyer acquisition is one of two major grocery combinations under FTC review. The antitrust agency is also scrutinizing a planned purchase of American Stores Co. by Albertson's.

Analysts and investors say Albertson's might have to sell more than 100 stores.

Kroger and Fred Meyer "seem to have gotten an easier ride than Albertson's and American Stores," Husson said.

Miss Botswana Crowned Miss Universe

By TIM McDONALD
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Trinidad (AP) — The three beautiful women left on stage were from different continents, but they agreed completely on the final question: What if Miss Universe became pregnant during her reign — in violation of the rules?

Bend them, said Miss Spain, Diana Nogueira. Ditto, said Miss Philippines, Miriam Quiambao.

Miss Botswana also agreed. But whereas her predecessors hemmed and hawed, 19-year-old Mpule Kwelagobe (mm-POO'-leh tkweh-lah-HOH-beh) was proudly resolute.

"Personally, I think it should not in any way interrupt her duties," she declared to wild applause from the Trinidadian audience. "She should celebrate her femininity."

And thus did the lithe aspiring electrical engineer manifest the characteristic that world boxing champ and Miss Universe judge Evander Holyfield said he was seeking: confidence.

First runner-up was Quiambao, a 23-year-old physical therapist who turned a fall in preliminaries last week into a plus with a much-discussed graceful recovery. Nogueira, a 24-year-old who works in the fashion world, came in third.

Miss Photogenic went to Miss Puerto Rico, Brenda Liz Lopez, 23, and Miss Congeniality to Marisa Ferreira, a 21-year-old student from Portugal.

It had been a rollercoaster ride for

the 83 contestants as well as for their Trinidadian hosts.

The latter, delighted with the tremendous exposure on live TV to 80 countries, turned the event into a celebration of their twin-island nation's cosmopolitan society, which borrows from African, East Indian and British culture.

Trinidad's distinctive steel drum music throbbed in the auditorium, which was decorated with the vibrant colors of Trinidadian art. A troupe sporting feathered costumes showed why Trinidad's carnival is one of the best in the world.

Earlier Wednesday, pageant officials scrambled to prepare a new site for the post-pageant coronation ball as hundreds demonstrated near the old site, where a worker had been electrocuted to death Monday.

After Kwelagobe was crowned by the outgoing Miss Universe, Trinidad's Wendy Fitzwilliam, she said she wanted to follow her example in fighting AIDS.

"I come from the area with the highest incidence of AIDS in the world," Kwelagobe said of sub-Sa-

haran Africa.

She told reporters at a news conference that her first name means "bring the rain" — and that she hoped to do just that for her drought-plagued southern African homeland.

"Winning won't just change my life, it will change Botswana," Kwelagobe said, hopeful that her victory would "open Botswana to the world" and bring in development and investment.

Kwelagobe described herself as "very focused, determined and ambitious."

She has studied subjects alien to most African women — pure electronics, physics, chemistry and mathematics. Yet pregnancy, she said, explaining her winning answer, is "what it's all about: celebrating women, celebrating our femininity."

It's not so clear that pageant officials would agree with her views. Earlier in the week Miss Guam, Trisha Heflin, was disqualified and sent home, with pageant officials saying she was pregnant. Her promoters later insisted she was merely ill.

'Thrill-Kill' Defendant Found Guilty

A second defendant has been found guilty in an early morning double-murder on a beach. The judge rejected 24-year-old Bradley Price's argument that he did as much as he could do to stop a friend from shooting two people in a random murder two years ago. Price's friend, Jesse McAllister, has confessed to pulling

the trigger. But Judge Philip Nelson says Price was an active participant in the deaths of Brook Goza and Kacy Nimz. Price could get life without parole for two counts of aggravated murder. The victims' relatives say there's some consolation in the fact that Price and Jesse McAllister cannot longer threaten the community.

Schools May Be Liable in Harassment

By JAMES PILCHER
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ATLANTA (AP) — Aurelia Davis and her daughter LaShonda made it by the U.S. Supreme Court. Now comes the harder part: winning their lawsuit.

The Davises won a landmark decision against the Monroe County school system when the high court decided Monday that schools receiving federal funds can be sued in some cases in which a student sexually harasses another.

Dissenters on the court noted that the case has potentially huge financial ramifications for schools across the country.

With the Davises' lawsuit revived and heading back to a lower court, school officials remain confident they did nothing wrong in dealing with a male classmate's alleged harassment of LaShonda.

"The first I heard about it from Mrs. Davis was with a week left to go in school, and she said it had been going on since Christmas," Superintendent Charles Dumas said. "So while we're disappointed in the ruling, we welcome the chance to tell our case."

Mrs. Davis sued the county school board and two officials over a five-

month "barrage of sexual harassment and abuse" her daughter LaShonda allegedly endured from a fellow fifth-grader at Hubbard Elementary School in Forsyth, Ga., in 1992-93.

The boy, identified in court papers as G.F., allegedly touched the girl's breasts, rubbed against her suggestively and repeatedly told her he wanted to have sex with her.

The lawsuit states that LaShonda, now a high school junior, and her mother reported each incident to school officials but G.F. was never disciplined. The boy pleaded guilty to sexual battery after Mrs. Davis complained to the county sheriff.

The suit said the harassment caused LaShonda's grades to fall and had a debilitating effect on her mentally and emotionally. Her case was dismissed by the 11th U.S. Circuit Court of Appeals, and appealed to the Supreme Court.

In its 5-4 ruling, the high court said that school officials can be held accountable only when they know about and are deliberately indifferent to sexual harassment "so severe, pervasive and objectively offensive that it can be said to deprive the victims of access to the educational opportunities or benefits provided by the school."

Schools — from elementary to col-

lege — that accept federal money can be forced to pay victims of such harassment, the court said, adding that the legal standard is high enough to keep children and parents from making a case out of every playground taunt.

The court's dissenters were not convinced. "After today, Johnny will find that the routine problems of adolescence are to be resolved by invoking a federal right to demand assignment to a desk two rows away," Justice Anthony M. Kennedy wrote.

Mrs. Davis' lawyer, Verna Williams of the Washington-based National Women's Law Center, said the ruling put schools on notice to "listen to your students and assist them before their learning environment becomes intolerable. Set up guidelines, make them well-known and respond to calls for help."

Dumas said his district has already put stricter guidelines in place for documenting harassment claims and for handling such incidents.

Mrs. Davis, who said her daughter was ecstatic at news of the court victory, said the next step is "to get with our lawyers to figure out where to go from here."

Even if she and LaShonda eventually lose the case, getting this far has been worth it, Mrs. Davis said.

"That's what makes me proud, is that we were able to make a difference," she said.

Parents of Shaken Baby Seek Custody

By JENNIFER BROWN
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MEDIA, Pa. (AP) — A toddler whose father is accused of putting him in a coma will remain on a ventilator while a judge considers a government request to gain custody of the boy so he will be allowed to die.

Shirron Lewis, 20 months old, has been in a coma for more than a year. Authorities say his father, Ronald Lewis, shook his child so violently that it left Shirron blind, deaf and unable to swallow on his own.

Lewis is charged with attempted murder and prosecutors say he will likely be charged with first-degree murder if the child dies. However, Delaware County officials want to have the child taken off of life support, contending that he suffers from such severe injuries that doctors do not expect him to recover.

Judge Joseph F. Battle has already denied a petition from county-appointed child advocate Barbara Scarlata that would have taken the boy off life support. The judge said the county must be granted custody first before Scarlata refiles her request.

On Wednesday, Battle agreed to consider transferring custody from the parents, who oppose taking the child off of the ventilator, to the county. Social workers and medical experts testified about Shirron's extensive injuries during a closed hearing.

Shirron, who was born premature, was rushed to a hospital in March 1998. Prosecutors said the baby was in the care of a babysitter but contend Lewis caused the injuries.

Lewis, 43, said he didn't cause the injuries and doesn't know how they happened, according to his defense lawyer, Wayne Punshon. Lewis, who attended Wednesday's hearing along with the child's mother, is in jail.

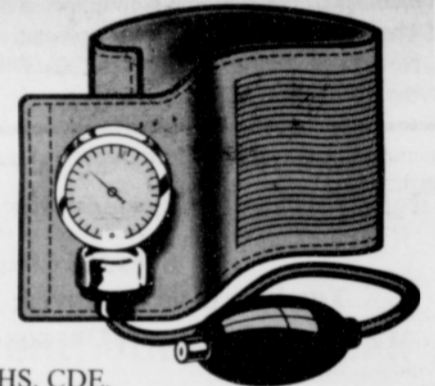
Lewis and Jackie Allen, 32, have said they believe only God can end a person's life and they do not want a court to decide what is best for their child. The couple, who are engaged and lived together at the time of the incident, also have an infant.

Another custody hearing is scheduled for June 18.

Diabetes & High Blood Pressure: What Every Person with Diabetes Needs to Know

Saturday, June 5, 1999
9:30-11:30 a.m.

Legacy Emanuel Hospital & Health Center
2801 N. Gantenbein, Portland
Lorenzen Conference Center Auditorium
FREE—Preregistration is required.
Call (503) 335-3500 to register.



Many people with diabetes have high blood pressure. Even mild elevations in blood pressure can increase the risk of heart disease, stroke, and eye and kidney disease.

Please join David Wakeling, DO, Julie Goodwin, PA-C, MHS, CDE, Chris Blem, PharmD, and Melissa Jacobson, RD, as they discuss:

- ♥ what is it? what do the numbers mean?
- ♥ how to lower blood pressure
- ♥ diabetes & high blood pressure: special risks & considerations
- ♥ role of the diet
- ♥ medications

FREE blood pressure screening will follow the program. Refreshments will be served.

This program is co-sponsored by Legacy Diabetes Services and Legacy Heart Institute.

Legacy Health System includes Emanuel Hospital & Health Center, Good Samaritan Hospital & Medical Center, Meridian Park Hospital, Mount Hood Medical Center, Visiting Nurse Association, and CareMark/Managed HealthCare Northwest PPO. ©1999



PEOPLE EXPOSED TO SECONDHAND SMOKE AT WORK ARE 34% MORE LIKELY TO GET LUNG CANCER.



AND YOU
THOUGHT
THE LONG
HOURS
WERE KILLING YOU.

Everyone deserves smokefree air!

Our efforts are not about blaming smokers, but are designed to protect the public and employees from secondhand smoke which causes cancer, heart disease, asthma and other preventable health problems. If you are ready to quit smoking contact the Oregon Tobacco Quit Line at 1-877-270-STOP.

Multnomah County Tobacco Prevention Coalition