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TIME

COLOMBIA'S AGONY



CORPORATIONS

A Network Draped in Red



For a company that covers the news, CBS has lately been making a remarkable number of headlines on its own. Last week the communications giant closed its toy, computer software and theatrical-film businesses, announced the early retirement of the No. 2 executive in its broadcast group and reported its first quarterly loss (\$114.1 million) since the early days of the company in the 1930s.

CBS has been in trouble since the summer, when Atlanta Entrepreneur Ted Turner launched a \$5.4 billion takeover bid. The company escaped Turner's clutches by buying back 21% of its stock, but it did that by taking on increased debt, which has forced the firm to cut expenses and trim its staff.

Troubles for CBS may not be over. Wall Streeters suggest that Loew's chairman, Laurence Tisch, who has bought 12% of the company and last week became a member of the firm's board of directors, might try to acquire CBS himself or with some corporate raiders. Says Edward Atorino of Smith Barney: "CBS hoped that bringing this fox into the hen house would keep away other foxes. The trick is not going to work." No one yet knows the plot of the final episode in this CBS series.

Telephones

Demon Dialers Beware

Ed O'Geese, a maintenance man for the California Public Utilities Commission, was not pleased last January when he discovered that his grandson Kenneth, 10, had made about 2,000 calls to a sports-trivia number. Kenneth had won a television set in the process, but he had also run up a \$1,316 bill in calls to the special number. Extra-charge telephone numbers that begin with 976 are now available in nearly two dozen states. Says O'Geese: "I think it's wrong. They should explain to kids that there is a charge for the service."

About 30 million calls are expected to be made this year in California alone to special numbers that charge anywhere from 50¢ to \$2 per call. For the fee, people can hear horoscopes, pornographic tales, children's stories, pop music, news or stock quotes.

Some critics object to the content of the messages, especially the dial-a-porn calls, but others protest that advertisements for the call-in services do not make it clear enough that there is a special charge for the calls. The California Utilities Commission agrees. It has ordered a one-time rebate to consumers who phone the numbers without realizing there is an extra charge.

INVESTIGATIONS

Closing Down Sneak Previews

Any Wall Street trader could make a killing if he got advance notice of the Commerce Department's quarterly estimate of the country's economic growth. On the day it is released, that statistic can send the financial markets into a sharp upward or downward spurt. Thus Government officials became alarmed last July and then again in September when an accurate GNP estimate was circulating among traders the day before its official release. In an effort to find the source of the leak, the Commerce Department has called in the FBI, which last week was giving voluntary lie-detector tests to key employees. More than 15 have submitted to the process, but no suspects have been announced.

In the past month the department has tightened security to keep the leaks from recurring. The number of people who have access to the GNP number before release has been cut from about 60 down to ten. Analysts now tabulate the figure only twelve hours before its release, instead of 65. During the six hours or so they are working on the calculations, employees are confined to an office suite with no telephone privileges. If they need to use the restroom, a chaperon must go along.

COMMUNICATIONS

Mexican Connection for U.P.I.

After a Mexican newspaper magnate bought the financially troubled United Press International last week, U.P.I. staffers in London joked about brushing up their Spanish for a simple, direct question: "Can I have a raise?" The 2,000 employees of the 78-year-old news service took a 25% pay cut last year and have suffered bouncing pay checks in recent months as U.P.I. struggled to survive. This spring the news service filed for bankruptcy reorganization and put itself up for sale.

U.P.I.'s management, employees and creditors accepted a bid of \$41.6 million from Mario Vázquez Raña and Houston Real Estate Developer Joseph E. Russo. The once rival bidders began striking up a partnership last Tuesday in the elevator of U.P.I.'s headquarters in Washington, D.C. Vázquez Raña, who is expected to control about 90% of the company, owns the largest chain of newspapers in Mexico. He told American reporters through an interpreter that he plans to restore U.P.I.'s financial stability and improve its performance. Said U.P.I. Vice President William J. Bowe: "It will be a recapitalized news organization and will be able to get back to being scrappy and competitive."



Mario Vázquez Raña

INDICATORS

North Pole Unemployment: 0%

When shopkeepers are worried about slow Christmas sales, they call on St. Nick for help. That is the theory behind the Santa Claus indicator, which holds that when the number of Santa Clauses goes up, Christmas sales are likely to be down. If the Santa Claus indicator is correct, this year may not be a sleigh-bell ringer for retailers. Western Temporary Services, a California-based employment agency and leading Santa supplier for department stores, last week announced that its bookings are up 15% over 1984, when it placed 3,000 St. Nicks.

Officials in Western's Santa division say that the number of Santas is a reliable sign of the mood of retailers. If store owners are confident that consumers will be buying out the store, they feel no pressure to have lots of the jolly men around. But if there is a danger that business will be slow, merchants bring in the red

army to lift holiday spirits and sales. Retailers this year are worried in part because the period between Thanksgiving and Christmas, the peak buying time, is just 26 shopping days, rather than last year's 32. Result: Santas will be putting in longer workdays this season because many merchants are planning to stay open later.



Coming to town to boost sales