

## Stocks

### DOW JONES INDUSTRIAL AVERAGE

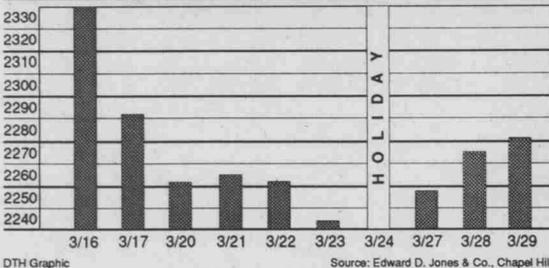


**2281.52**  
UP 5.98  
VOLUME: 144.24 million shares

### NORTH CAROLINA STOCKS

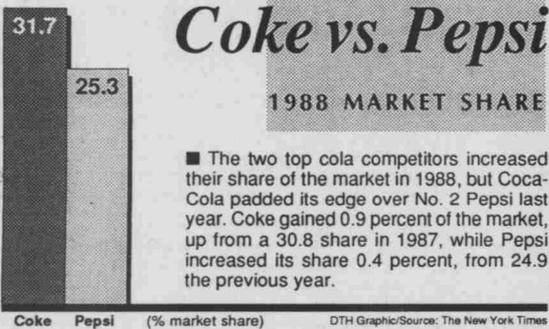
COMPANY	CLOSE	CHANGE	HIGH	LOW	WK. AGO
BellSouth	42	—	42 1/8	41 7/8	41 5/8
Duke Power	43 5/8	- 1/8	43 3/4	43 3/8	43 5/8
Food Lion	10	—	10 1/8	9 7/8	10
NCNB Corp.	36 1/4	+ 7/8	36 1/4	35 1/8	36 1/8
RJR/Nabisco	86 1/4	- 1/8	86 3/8	86 1/8	86 7/8

### TREND



## Update

### SOFT DRINKS



## Carolina Students' Credit Union Rates

### SHARE CERTIFICATES

30-89 Days	8.000 simple
90-179 Days	8.595/8.970%
180-269 Days	8.730/9.120%
270-364 Days	8.730/9.120%
365 Days	9.095/9.520%

Compounding is daily. Rates subject to change daily. \$100 minimum deposit. Insured up to \$100,000. No certificates sold on Friday or Saturday. Rates for longer terms and larger principals are available.

### LOANS

Share Secured	11.00%
Co-Signer	14.00%
Travel	16.00%

Hours: Mon.-Fri. 10 a.m.-2 p.m., Sat. 12:30 p.m.-2 p.m.

CSCU is not affiliated with UNC-CH

# New home sales down in February; further drop predicted

From Associated Press reports

WASHINGTON — Sales of new, single-family homes slumped in February to the lowest level in more than a year, the government said Wednesday, and analysts expect further declines as rising mortgage rates push more people out of the market.

Sales dropped 9.4 percent in February to a seasonally adjusted annual rate of 626,000 after advancing 2.5 percent in January, when

## Business Briefs

unusually mild weather brought out more buyers.

The drop in sales was accompanied by an 8.9 percent increase in the median price of the homes sold, which analysts said showed that lower-income purchasers were the ones who left the market.

"The first people forced out of the

market in times of rising rates are first-time buyers who barely qualify to buy a home," said John Tuccillo, chief economist of the National Association of Realtors.

Last month's median price for a new home was \$123,100, meaning half the homes sold for more and half for less.

Analysts said that because the housing market is particularly sensitive to interest rates, it is among the sectors of the economy most directly

affected as the Federal Reserve Board tries to restrain growth and dampen inflationary pressures by driving rates upward.

Housing construction and sales of existing homes also were down sharply during February, according to earlier reports from the Commerce Department.

"The housing sector is stumbling," said economist Bruce Steinberg of Merrill Lynch & Co. in New York. "It's an indication that higher mort-

gage rates are taking a toll on the housing sector, one which is likely to intensify over the next couple of months."

Tuccillo said that with mortgage rates expected to continue rising through the spring, new home sales likely will decline further over the next few months and then start to pick up.

Dave Seiders, chief economist for the National Association of Home Builders, said sales for all of 1989 are expected to be down 6 percent from last year, but the situation could be worse if the Fed tightens credit too severely.

"Our association is very uptight about what the Fed has been doing," Seiders said. "When the Fed moves to slow down an economy like this, they almost always overshoot."

**Governor's Awards announced**  
RALEIGH — Eleven businesses and art groups have been named

recipients of the 1988 Governor's Business Awards, said Doug Booth, chairman of the Governor's Business Council on the Arts and Humanities.

Receiving the awards are Carolina Mills, Inc., of Maiden; Cellular One of Fayetteville; First National Bank, Reidsville; First Savings Bank, Hickory; Glaxo, Inc., Research Triangle Park; Greater Smithfield-Selma Area Chamber of Commerce, Smithfield; High Point Arts Council, Inc., High Point; Leader: Newsmagazine of the Triangle, Research Triangle Park; Robeson Historical Drama, Inc., Pembroke; The Historical Preservation Foundation of N.C., Raleigh; and United Carolina Bank, Whiteville.

The awards will be presented by Gov. Jim Martin during the council's annual awards banquet April 6.

The council was created in 1977 to encourage support of the arts and humanities.

# Record Bar looking to update image

## Stores shrink LP collection, get new name

By CRAIG ALLEN  
Staff Writer

The Record Bar Corporation is beginning to reduce its inventories of vinyl albums (LPs) and is in the process of renaming all of the company's stores, according to Steve Bennett, vice president of marketing for Record Bar.

According to Bennett, the corporation plans to phase out most of its LP inventories slowly over the next year. Bennett said many major record companies are beginning to produce fewer LPs, so Record Bar is forced to carry fewer of the vinyl albums, which were once the leader of the audio market.

Sherman Tate, assistant manager of the Franklin Street Record Bar, said the store's sales of LPs has steadily declined since the introduction of the compact disc (CD).

"A year ago, we had a store full of LPs, and five years ago we had (a total of) five CDs in the store," Tate said.

Tate also said this decline is partly because companies are beginning to produce fewer new releases on the vinyl albums. He said Record Bar used to be able to get any LP through special order. But now, he said, new releases are often hard to get on vinyl.

Another reason for the decline of the LP, Tate said, is the current trend in the market toward CDs. Tate said fewer people are buying the LPs. He said LPs will probably continue to be available, but he is not sure.

"Who's to predict the future, I don't know," Tate said. "We still have some LPs, and we still have people talking about LPs. But they're (consumers) not buying them."

Record Bar's move away from LPs will help business across the street at School Kids Records, according to Matt Steigerwald, an employee at School Kids. Steigerwald said there is still a demand for LPs, mainly because not everyone can afford a CD player.



DTH/Evan Elle

At the Franklin Street Record Bar, vinyl albums are getting the squeeze from compact discs

"It obviously helps us because anyone who wants LPs has to come here," said Steigerwald.

However, Bennett said he does not foresee a time when LPs will not be available at Record Bar, at least in limited supply. They will carry overstocks from clearinghouses who specialize in selling publisher overruns, he said.

One reason for making some LPs available is that many college or alternative artists, long popular in Chapel Hill and other college towns, continue to produce mainly on vinyl, Bennett said.

Tate agreed, saying that LPs will never completely disappear.

"My gut feeling is that it won't be extinct completely," Tate said. "So many people have turntables and collections of albums."

Despite this change in format, Record Bar is not planning any price changes in the near future. The prices in the stores are dictated by the record companies to some extent, according to Bennett. Before Record Bar can lower any prices, record companies must lower the prices they charge the store and other suppliers.

"I think CD prices everywhere are going to come down," Bennett said. "The problem is that manufacturers are manufacturing the products a lot cheaper than they were five years ago but typically are not passing that savings on to the consumer."

"We hope that manufacturers will lower their prices, and we can come down behind that," he said.

Record Bar is also adding video rentals in some locations. Most

Record Bar stores already offer videos for sale. However, because of space considerations, Record Bar will probably not feature video rentals at its Franklin Street store, Bennett said.

Digital Audio Tape (DAT), a new technology on the horizon, may someday become as profitable as CDs, Bennett said, maybe even co-existing with CDs as much as cassette tapes and LPs have in the past. But right now this technology is more expensive than CDs were at the time of their introduction and are not a viable alternative although some other companies on the West Coast are selling them, he said.

Within one or two years, the Record Bar name will be gone from all the company's stores — to be replaced by "Tracks," Bennett said.

# Executives take raises amid layoffs

From Associated Press reports

CHARLOTTE — The five top executives of Duke Power Co. got hefty raises last year as the Charlotte-based utility laid off 1,200 people in a cost-cutting move.

Duke gave a 31 percent increase to \$478,983 in 1988 cash compensation to Chairman Bill Lee. The utility's other four top executives also received double-digit increases in pay in 1988.

The compensation was disclosed in the firm's annual proxy statement just mailed to shareholders.

But Duke Power spokesman Joe Maher said that it's unfair to consider the executives' salaries in light of last fall's cutbacks.

"Their salaries were set on Jan. 1,

1988," based on 1987 performance, he said. "Their salaries are reviewed once a year. The work activity review had nothing at all to do with it."

The big increases in 1988 pay would seem "a little bit lower" when deferred compensation is included, Maher added. The executives took more deferred compensation in 1987 than last year.

Many compensation experts believe executive pay should reflect the performance of a company, the newspaper said. Some executives — such as Nucor Corp. Chairman Ken Iverson and NCNB Corp. Chairman Hugh McColl Jr. — have taken big pay cuts during disappointing years.

In 1988, Duke's earnings rose 10 percent to \$550 million after a 7

percent increase in 1987, but last year's increase stemmed from a change in accounting. Without the change, which added \$102 million to earnings, profits would have fallen 10 percent.

Duke trimmed its staff in November after officials discovered the firm was exceeding its 1988 budget by \$70 million. Increasing competition and prospects of industry deregulation are forcing Duke to operate more efficiently, company officials say.

"Duke is recognized as one of the utility industry's best-run companies," Maher said. "Our executives are compensated to reflect their contribution to that. Our executives earn considerably less than they would in

a nonutility company."

"On the surface, it's appalling," said Thomas Jerdee, a UNC-Chapel Hill business professor. "On the other hand, if these people are in demand — I don't know if they are — it might make sense (to raise pay) for competitive reasons."

Only half of executive salaries are paid for by Duke's customers under state regulations, said Robert Gruber, executive director of the public staff of the N.C. Utilities Commission. While Gruber declined to comment specifically on Duke, he said the link between executive pay and performance is weak generally.

"Other industries do the same thing, I'm afraid," Gruber said. "But that doesn't justify it."

# 'This tape will self-destruct in five seconds . . .'

From Associated Press reports

SAN FRANCISCO — Reminiscent of the "Mission Impossible" television series, a major film company plans to test-market a videocassette that will self-destruct after the movie has been watched a set number of times.

MGM-UA Home Video has decided to test the "disposable" tapes this summer in an undisclosed city, according to Herb Fischer, vice president of sales and marketing.

The mission of the new videocassette — should studios decide to accept it — will be to encourage the production companies to sell video rental stores more copies of a movie for the same price they would pay for tapes with unlimited play. That would make it easier for movie renters nationwide to find a hot new release at their video stores.

"It saves you going back three times

to get the same film," said Steve Roberts, president of the Los Angeles-based S. Roberts Co.

The company is consulting on the project for Rank Video Services America, a manufacturing duplicating company based in Torrance, Calif., that licensed the patent to the new product.

Although these tapes will not go up in smoke when the limited number of plays are completed, they will erase themselves and cannot then be re-recorded, said Roberts.

"It becomes inoperative as a normal cassette," said Bob Pfannkuch, chairman of Rank Video Services America. He said the technology for this type of videocassette has been around for three to five years.

Introduction of the new tapes, which will have green cases to distinguish them from the typical

black cases, could meet strong initial demand for popular movies, said Roberts.

He said retailers lose from 5 percent to 20 percent of their potential business because frustrated customers who cannot find their first-choice movie leave without renting anything.

A retail outlet currently pays more than \$60 for a movie title and cannot afford to stock it in depth. However, with the disposable tapes programmed at 20 plays, that retailer could buy the same movie for about \$30, he said.

"The goal of this is not to replace the traditional black tapes," said Roberts, who explained that retailers would still buy the permanent tapes but would also purchase the green disposable movies for "depth of copy."

Roberts said rental fees probably

will not be affected, but customers will have to be more cautious about rewinding.

The disposable tapes can be rewound up to 20 minutes into the movie without triggering the counter that marks the number of plays. After that, any rewinding would count as a play, said Roberts.

## Career Corner

Resume Drop April 4  
Open Sign Up April 19

### PRESCREENING COMPANIES

Date	Company	Job	Major
4/25	Firestone	Sale Rmgt	BU/BS Econ/VBA