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BRIEFING

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soon. But from here on, the going could be tough. Control Data hoped to raise up to \$912 million on Commercial Credit but settled for \$779 million. Underwriters are scaling back other IPO prices. If the Dow Jones average dumps 200 points, says New Issues publisher Glenn King Parker, deals will be in trouble.

= Apartheid economics

American companies—General Motors, International Business Machines, Coca-Cola, GE, to name a few—are pulling up stakes in South Africa because of (a) moral outrage over South Africa's racial policies, (b) pressure from anti-apartheid activists in the U.S., (c) the profit motive or (d) an appeal from Pope John Paul II.

All factors may have played a part, but cynics who answered (c) can go to the head of the class. In one swoop, American companies can ease pressure from anti-apartheid critics in the U.S., cut the risk of operating in a shaky business climate and still sell products to their old subsidiaries.

GM is shedding an operation that has lost \$400 million since 1982. But it will still sell about \$90 million worth of parts and components to GM South Africa through Opel, its German subsidiary, and Isuzu, the Japanese company partly owned by GM.

IBM, which has no manufacturing facilities in South Africa, will get \$45 million for its distribution network. IBM will continue to sell components, finished products and technical skills.

Before leaving, GE negotiated 42 distribution agreements covering electrical, electronic and industrial products, to be sold through Genwest Industries, its former subsidiary.

All this isn't lost on anti-apartheid groups. Timothy Smith, director of the Interfaith Center on Corporate Responsibility in New York, met with IBM executives October 27 and called

Enrico's big fun on the job

its exit â\200\234an important first step. Now IBM needs to take the next stepâ\200\224stop the sale of computers to South Africa.â\200\235

= Big Bang? Not exactly

The long-awaited Big Bang on the British securities markets came October 27, not with a whimper but a crash. An electronic trading systemâ\200\224the launching pad for deregulated securities tradingâ\200\224broke down time and again, overwhelmed by the volume of use by curious traders eager to try it out.

But the Brits, as is their custom, muddled through. Trading volume rose. So did prices. More important to investors, sales commissions plunged 40 percent and bond commissions all but disappeared. â\200\234Institutional clients are putting on the squeezeâ\200\235 to reduce fees, said Alan Beuthin, head of Merrill Lynchâ\200\231s London equity-trading desk.

= The ego has landed

Watch Roger Enrico run. Here he sells shirts. There he recommends a credit card. Isnâ\200\231t that his new book? Run, Roger, run. What Lee Iacocca started by pitching Chrysler cars in commer-

cials, Enrico takes to new heights. Itâ\200\231s hard to avoid the president of Pepsi-Cola USA on the printed page. For Hathaway shirts, he wears the signature eye patch, clutches a can of Pepsi. For Visa, he and Pepsi share a table with an Apple MacIntosh computer. Then thereâ\200\231s The Other Guy Blinkedâ\200\224How Pepsi Won the Cola Wars. Its title is at best debatableâ\200\224if Pepsi won, how come Coca-Cola is still No. 1 in soft drinks? Already dubbed The Ego Has Landed by Coke people, the book devotes three chapters to filming Pepsi commercials with reclusive pop singer Michael Jackson. Highlight: . *â\200\234It is my contention that if Michael Jackson had not moon-walked and spun and flashed his magic glove . . . the Coca-Cola company would not have made the colossal blunder that was New Coke.â\200\235 Another: â\200\234Michael leans over and whispers in my ear. And what he says is: â\200\230Roger, I'm going to make Coke wish they were Pepsi.â\200\235 â\200\235â\200\231 Enrico, 41, insists his endorsements were just favors to friends, that he was begged to do the book and that it was written to prove business can be fun.

= Annals of enterprise

Act I: Allen Krowe is demoted. So said analysts and newspapers when IBM abruptly reassigned its chief financial officer to another job October 17. Conventional wisdom had IBM faulting him for failing to anticipate downturns in U.S. and global computer markets.

Act II: Allen Krowe is promoted. So signaled IBM October 28 by announcing his appointment to its board of directors. In a letter to one newspaper, IBM Chairman John Akers bemoans â\200\234misleading analysisâ\200\235 in Act I.

Act III: To be announced, maybe in 1988, when Akers names a new IBM president. Krowe, 54, is a contender.

by Kenneth R. Sheets with Robert J. Morse,
Julia Reed and Pamela Sherrid

= Wall Street megamergers? The Shearson Lehman

. Brothers brokerage, owned by American Express, is offering to buy competitor E. F. Hutton Group. A com-

. bined securities firm would be the nationâ\200\231s second largest, behind Merrill Lynch. Shearson also has contacted PaineWebber about a possible merger.

= Alfa Romeoâ\200\231s courtship. The Italian government is

expected to decide by November 7 who gets to buy Alfa Romeo. One bidder, Ford, wants Alfa to build high-performance luxury cars. Another, Fiat, would use Alfa to put out sportier models. Fiat has more pull with the government, but Alfa workers favor Ford. Alfa has lost money for 12 consecutive years.

s Carrying coffee to Brazil. Another poor harvest in Brazil is forcing the worldâ\200\231s leading coffee exporter to become an importer for the first time in memory. Brazil wants to buy 10,000 tons of beans from Indonesia, to allow export of more of its own crop. The shortage is likely to affect U.S. consumers, who already pay some 27 percent more for coffee than they did a year ago.

= â\200\234Chunnelâ\200\235 money. It was hard, but backers of the proposed \$6.7 billion railroad tunnel under the English Channel finally raised \$290.6 million in equity financing from institutional investors to get the project started. But the lukewarm acceptance of â\200\234chunnelâ\200\235 certificates raises doubts about a planned \$1.06 billion offering next year. The 31-mile tunnel is scheduled to open for rail traffic between Britain and France in 1993.

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