

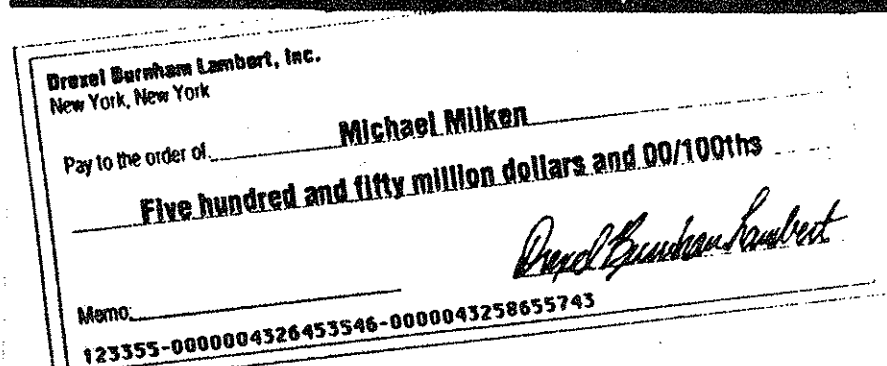
The Business Journalist

Volume 28

Society of American Business Editors and Writers

October 1989

In 1987 Michael Milken earned \$550 million...



How much is that?

TBJ GUIDE TO GRAPHICS

For years business journalists have known they need to improve the visual appeal of their product. To give struggling editors and reporters some help with design and graphics, we offer TBJ's Guide to Graphics.



The four-page pullout inside is filled with suggestions and illustrations to show you what to do and what to avoid. We know you'll find it useful and that you'll want to turn it into a handy desk reference.

Covering Korea

The booming Korean economy is one of major business success stories of recent years. David Johns, a former editor of Business Korea, provides an extensive review of the nation's economy and a thorough directory of sources with names and phone numbers. Page 3A.

Consumer impact Many business sections missing consumer angle

By Larry Werner

Every Wednesday at the Star Tribune, Managing Editor Tim McGuire gathers the top editors and a handful of reporters for our weekly critique session. There, in a conference room wallpapered with a week's worth of our papers and the competition's, we talk about the choices we made the week before and how they compare to those made by the St. Paul Pioneer Press-Dispatch.

A couple of weeks ago, McGuire expressed an opinion that not only got my attention, but my goat: He said it looks like the other paper's business section pays more attention to consumer stories than we do in the Star Tribune.

To a business editor who spent more than seven years as a consumer reporter, a business editor who takes pride in the fact that his section is called "Marketplace" rather than "Business," those were fightin' words — and food for thought.

What's happened to consumer reporting? And which department in the newsroom should be worrying about it?

Consumer reporting — at least the adversarial, ombudsman style practiced in the early '70s heyday of Ralph Nader — has faded away. It's my personal opinion that business editors are best qualified to bring it back, perhaps replacing the zeal of the '70s with the financial sophistication of the '80s.

Sure, we're doing some consumer stories. We're covering personal finance better than we ever have and are turning our

President's letter

staffs loose on major abuses in the marketplace, such as S&L fraud and takeover excesses. And if a regulatory agency takes action against a company for unfair practices, we dutifully report that action under bold headlines.

What we're not doing as business editors is asking our reporters to pay as much attention to how companies treat their customers as they do to how companies treat their shareholders. We're not routinely scrutinizing that fascinating adversarial relationship between the buyer and the seller.

Perhaps we could spend a little less time looking at balance sheets and a little more time looking at consumer-complaint files. But that is far more easily said than done.

It's not easy to do because we get caught up in the time-consuming, space-consuming activity of chronicling corporate performance: quarterly earnings, daily stock activity, endless restructurings, layoffs, management changes, boardroom politics.

Yes, we must write about those things, not only because our managing editors will complain more loudly if we ignore them than they do if we ignore the consumer, but also because they affect "stakeholders" who rely on our coverage: shareholders, employees, communities. However, we shouldn't forget another set (See CONSUMER, Page 4A)

UPI enters agate fray with own package

By Linda Bosley

Business editors agonizing under an avalanche of agate have yet another possibility to consider: CustomStocks/2000, offered by UPI.

Introduced in June, the system is so new that field tests are just beginning. Editors at the handful of papers that soon will be trying out the software — for free — have few opinions about its performance.

The Tampa Tribune is just beginning a 60-day trial, says Business Editor John Andreas, but it doesn't plan to publish stock pages with the system during that period. Staffers will work with the system, making sure that it feeds to the typesetter properly and that they can manipulate the data the way they want.

The software works in IBM or compatible PCs, and allows business editors to rearrange the fields of data or remove some entirely. The program also can automatically store information onto the hard drive, allowing reporters and edi-

Related story on Page 2A

tors to track stocks of choice for up to a year, says Dave Barber, co-director of stocks with UPI's sales department.

The system seems to offer more flexibility than some others, Andreas says, because all tables can be modified, not just a select few.

"It has some real potential for creating some new ways to present information," Andreas says. "I think it's an investment in better stock pages."

But, Andreas says, the program tends to make whomever is handling the software a programmer.

William Castle, assistant managing editor/finance at the Boston Herald, also thinks the software might be difficult to master. From what he's seen, the system doesn't seem "totally user transparent nor user friendly," he says. Castle qualifies that by adding, "I have no practical experience" with the CustomStocks/2000 software.

But with a lean staff, Castle says it would be difficult to devote 20 hours to learning the system. But if training takes five to 10 hours, "then maybe it's worth doing," Castle says.

However, Castle says, the cost of the system weighed in UPI's favor.

UPI pulls its stock and commodity information from Standard and Poor's. Getting one feed for all the tables, rather than individual feeds from all the exchanges separately, allows UPI to hold down its costs, says Hector Noa, market data manager for UPI.

In addition to the weekly cost of the market data wire feed (which is based on circulation), subscribers pay a flat \$12,000 fee to lease the software. Or, if they choose, subscribers can amortize the software lease over two years by paying \$131 weekly, Barber says.

Barber assures those who wonder about UPI's staying power that the financially troubled wire service plans to survive. "We're not going anyplace but up," Barber says.

Alternatively, newspapers can buy the Custom Stocks 2000 software outright from Tab Data Inc., the Antrim, N.H., firm that wrote the program. Cost ranges from about \$10,000 to \$25,000, depending upon what needs to be done to customize the software for a particular newspaper, says Tab Data president Bill McKinnon.

And the software can modify stock feeds from AP or other wire services, not just UPI feeds, says John Arthur, chairman and CEO of Tab Data.

Because the software works with other wire services, UPI assured officials at the Rocky Mountain News in Denver that the system would not become obsolete, even if UPI went out of business, says Dennis Dressman, the News' managing editor.

While agate manipulation can make stock pages unique, it also can make them more similar, says Tampa's Andreas. With the capacity to customize stock listings, editors also have the ability to mimic others' manipulations, he says.

Linda Bosley is the SABEW Fellow.

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Job listings

Houston Chronicle

The Houston Chronicle is seeking an aggressive, experienced reporter for its expanding business news staff. It is seeking someone with a minimum of two years experience, preferably, but not necessarily, in business reporting.

Clips should demonstrate the ability to do enterprise features with a strong news edge and a variety of sources. The beat assignment is somewhat flexible, depending on experience and area of interest.

Send cover letter, clips and resume to Scott Clark, business editor, Houston Chronicle, 801 Texas Ave., Houston, Texas 77002.

Phoenix Gazette

The Phoenix Gazette is searching for a business reporter to join its staff of 12. It is looking for someone with a minimum of five years' experience at a mid-size to metro newspaper.

Beat will include insurance, bankruptcy, high-tech and plenty of opportunities for general assignment business reporting.

Send resume and clips to Don Henninger, business editor, Box 1950, 120 E. Van Buren, Phoenix, Ariz. 85004.

Tampa Tribune

The Tampa Tribune is seeking an innovative, take-charge assistant business editor. Duties include managing Tribune stock pages, daily wire reports, making graphics and photo requirements and challenging our staff of nine enterprising reporters.

Position will go to someone with a strong business background along with editing experience, or an ace business reporter ready to make the move into management. Must move fast to fill position.

Contact John Andreas, business editor, at 813-272-7865.

Riverside Press-Enterprise

The Press-Enterprise in Riverside, Calif., is looking for a business reporter to cover banking and agriculture countywide, and to be responsible for business activities in a geographical area of the county.

The Press-Enterprise is a 160,000-daily on the edge of the Los Angeles metropolitan area.

For more information, contact Andy McCue, business editor, 3512 14th St., Riverside, Calif. 92501, or call 714-782-7505.

Allentown Morning Call

The Morning Call, a 135,000 Times-Mirror daily in Allentown, Pa., is looking for a business writer.

The Call's rapidly growing coverage area includes the headquarters of several Fortune 500 companies. Two years of business experience is preferred, but not required.

Contact Charles A. Jaffe, business editor, The Morning Call, P.O. Box 1260, Allentown, Pa. 18105, or call 215-820-6694.

Roanoke Times

The Roanoke Times & World-News, a 125,000-circulation a.m./p.m. paper in southwestern Virginia, is searching for a proven business journalist to lead a six-reporter staff. The assistant city editor/executive business editor is responsible for supervising business reporting for the news pages as well as for daily and Sunday business pages.

Key areas of business coverage include railroads, insurance, coal, consumer issues, investing, financial planning and economic development.

Send resume, clips, two-page autobiography and cover letter explaining what you can contribute to William K. Warren, managing editor, P.O. Box 2491, Roanoke, Va. 24010-2491. Application deadline is Oct. 20.

Santa Rosa Press Democrat

The Press Democrat of Santa Rosa, Calif., is seeking a business copy editor.

The position requires at least three years of copy desk experience on a daily newspaper. The copy editor will be responsible for sorting the financial wire, processing copy and laying out the daily and weekly sections under the direction of the business editor.

The Press Democrat is a New York Times newspaper with 84,000 circulation weekdays and 89,000 on Sunday.

Contact Brad Bollinger, business editor, Press Democrat, P.O. Box 569, Santa Rosa, Calif. 95402 or call 707-526-8585.

Biddeford Journal Tribune

The Journal Tribune of Biddeford, Maine, is seeking a reporter for its twice-weekly business section to cover daily, spot business news. The paper has a circulation of 15,000, and the beat includes small business, hi-tech, defense contractors, entrepreneurs, bankruptcies, banking, textiles and tourism.

The business writer also is responsible for laying out the business pages, so some knowledge of newspaper design is desired. Entry-level applicants are encouraged, but they should be able to work with minimal supervision. An affinity for business journalism is required.

For more information, contact Andrew Marsters, managing editor, P.O. Box 627, Biddeford, Maine 04005, or call 207-282-1535.

Central Oregon Business

Central Oregon Business, located in Bend, Ore., is looking for a business reporter. Send clips and resume to John Knowlton, managing editor, P.O. Box 6389, Bend, Ore. 97706.

UPI service designed for flexibility

By Roz Liston

UPI's CustomStocks/2000 service is designed to give newspaper editors greater flexibility in handling financial agate and in tailoring business page tables to suit their readers' needs.

Deluged with agate, editors who use CustomStocks/2000 can select the stocks, bonds and other financial data that their readers want, and still retain control over the news space devoted to tabular information.

The new UPI service brings technology to bear in improving newspaper productivity. Standard & Poor's provides UPI continuous feeds from the nation's stock and commodity exchanges.

CustomStocks/2000 supplies the latest information available on corporate earnings, earnings percentage ratios and dividends from the firm that sets the reporting standard for the securities industry — Standard & Poor's Corp.

CustomStocks/2000 gives each editor

the ability to design unique financial table formats and to output these to a front-end or pagination system, typesetter, line or laser printer.

Once the editor has made tailored stock selections, the service operates automatically. Since CustomStocks/2000 is a PC-based system, the newspaper can redesign its table format and reselect its tables at any time. UPI will soon deliver the service nationwide at the 9,600-baud transmission rate.

CustomStocks/2000 has many features. For example, an editor can select stocks by name or industry grouping, such as airlines or energy companies. The newspaper also can cull bonds, mutual funds, money funds, options and other financial data to make agate more relevant to its readers.

CustomStocks/2000 can rearrange the financial fields in hourly stock lists by changing the sequence in which price/earnings (P/E) ratios, yield, high, low and close appear. Fields can be added or eliminated to make the most economical

use of the newspaper's agate space.

The UPI system calculates trading volume and percentage changes for individual stocks. This enables a newspaper to choose a daily list of the top 1,000 volume leaders on the New York Stock Exchange, for example, or an abbreviated table of the 50 biggest gainers or losers on the American Stock Exchange. The list will change from day to day, but the number of stocks remains the same.

Agate information is packaged in easy-to-read tables by CustomStocks/2000. The system can boldface stocks of regional significance to a paper, underline issues that sustain sharp price swings or italicize the most heavily traded stocks. It's up to the editor to decide which of these graphic tools to use.

CustomStocks/2000 can keep historical databases, which means an editor can store and retrieve data on individual stocks and chart their movement over time.

Roz Liston is business editor at UPI.

Officers, board set November meeting

SABEW's officers and board of governors will meet Nov. 2-3 at the administrative offices in Columbia, Mo.

Agenda items include planning for the annual convention on April 28-May 2, discussing a proposed bylaws change and reviewing applicants for membership.

Yale Law study

Applications are open for the Yale Law School fellowships, which give four or five outstanding journalists a free year of legal studies.

Fellows will receive tuition and stipends of \$20,000 each toward living expenses.

Applications must be received by Jan. 15, 1990.

For more information, contact: Fellowships in Law for Journalists, Yale Law School, 401A Yale Station, New Haven, Conn. 06520.

TBJ GUIDE TO GRAPHICS

Oops! Graphics goofs cost credibility

By Daryl Moen

Information graphics that business editors had been nurturing for years burst onto the front pages of newspapers Oct. 20, 1987, the day after the Dow Jones average fell 508 points. A content analysis of those graphics shows they weren't quite ready for prime time.

They weren't even ready for the business sections. Nearly one in three of the 63 graphics on Page 1 had design errors that resulted in errors of fact. Among the 52 bar and fever (line) charts, the percentage with errors rose to nearly half. And one in eight had errors in the numbers.

These results come from an analysis I conducted of 29 randomly selected newspapers of less than 100,000 circulation and another 34 non-randomly selected papers of more than 100,000 circulations. With the help of a graduate student, I counted and categorized the graphics. I checked numbers. I measured spaces between tick marks on the X (horizontal) and Y (vertical) axes for uniformity.

What the results show is that information graphics, a growth industry, especially in business sections, potentially could add to our credibility problem.

One reason for the high error rate could be that while most of us can discriminate between good and bad writing or headlines, we have not developed standards by which to judge information graphics. (See checklists, page 4.)

Nearly all of the design errors were unevenly spaced data lines. Others resulted from comparing 10 months of 1987 to 12 months of previous years.

Errors in numbers most frequently appeared on the popular graph charting the hourly Dow Jones averages for the day. Seven newspapers had one or more of the hourly numbers wrong. Some of the newspapers outside the Eastern Time Zone converted the hours and indicated the change. Others, however, converted without telling the reader, and one started at 9 a.m. and ended at 3 p.m. Stock market hours are 9 a.m. to 4 p.m. EDT.

I also evaluated the graphics on other factors that contribute to the clarity of the message. I looked at such factors as whether there was a headline, copy block and source line, whether the art interfered with the message, whether the type of graph was suited to the information and whether space was used efficiently. Most papers performed much better on these factors. Even then, however, 34 of the 52 bar and fever charts lacked a copy block, and 14 of them lacked a headline.

The deadline pressure may have led to a higher rate of errors.

Although the error rate in graphics on the stock market crash may be higher than normal because of deadline pressure, I have seen a distressingly high (See DESIGN, Page 4)

Graphics business: A primer

Readers tell researchers they want livelier newspaper pages and more news they can use. And that they want more stories they can understand in less reading time.

Good graphics help meet this need.

Unfortunately, most of us haven't had visual literacy training. We're wordsmiths comfortable with sentences and paragraphs, with stocks and bonds and market machinations. We often fall short when faced with making our sections more visually informative.

With that in mind, we compiled this special section of The Business Journalist. The tear sheet examples are from a business graphics session at the 1989 SABEW convention in New York City.

Rob Covey, art director at U.S. News and World Report, looked at examples like the one on the right, which guides the reader effortlessly down the column of text. Each item discussed in the story is circled on the 1040.

Other graphics weren't so well executed. We give you Covey's comments, along with his suggestions for creating more effective graphics.

Other commentary comes from Daryl Moen, who teaches newspaper design at the University of Missouri School of Journalism. He is the author of *Newspaper Design and Layout* and has identified a number of problems in the use of information graphics.

This section was designed by Barbara Zang, a recent Master's graduate of the School of Journalism.

TAX

About the new 1040...

Compared to last year... when the...
 1. This document shows you how to...
 2. There's a lot going on this year...
 3. Here's what to look out for:
 4. Line 10. Which if you are claimed as a...
 5. Line 11. Tax-exempt interest must be listed...
 6. Line 12. Individual Retirement Accounts...
 7. Line 13. Unemployment compensation is fully...
 8. Line 14. Double and triple check. This is a hot...
 9. Line 15. Only qualified employer...
 10. Line 16. Sounds simple, but don't forget to take...
 11. Line 17. The multiplier here has gone up \$50...
 12. Line 18. The IRS says. Make sure the numbers...
 13. Credits. Set your sights. The IRS hasn't...
 14. Line 19. Period of year if you had to pay an...
 15. Line 20. A new law. Be careful to check the box...
 16. Line 21. More than one spouse. If you are...
 17. Line 22. Another hot spot for math errors.

GOOD: A clean, clear graphic that is appropriately scaled.

Pitfalls: Why some graphics don't make sense Editors should take charge

When it comes to graphics, business editors should heed Harry Truman, whose desk sign read: The buck stops here. Editors should accept the responsibility for the accuracy of the graphics in their sections.

"One reason so many graphics don't make sense is that editors and reporters working directly with the stories that go with the graphics are removed from, or

feel removed from, the process of editing and creating those graphics," says Rob Covey.

He cited five reasons why business graphics often don't make sense:

1. Most editors complain that they have too much to do already and can't add responsibility for graphics.
2. Many others express a lack of confidence in their own visual instincts or

skills — "I just can't imagine what that would look like."

3. Some editors feel "it's not really my job. I give the art department a copy of the story, and they usually just take it from there."

4. Other editors have been burned — "the artists never listen to my ideas anyway."

5. Often the schedules of the artist and editors don't match so there seems to be no time to get together. Both sides complain, "I can never find them."

The Good and the Not So Good

Key to better graphics: Plan, plan, plan

What makes a graphic a good graphic? For reporters and editors on the business beat — who have the ultimate responsibility for the accuracy of graphics in their section — Rob Covey offers nine steps to improved business section graphics:

1. Decide what is important. What are the key ideas in the story? Don't worry about whether you have identified the most visual parts: It's the artist's job to figure out if it's possible to display that part of the story graphically. Brainstorm with the artist, jointly making the first key decisions. The more you go through this process, the better you'll become at matching the key parts of the story with the parts that have the most visual potential.

2. Make sure the graphic makes a point. Readers need to know why you've put a graphic in the paper. Maps should point out something, and often they don't. Charts should point out something, too, and often they don't. Readers are left to make their own interpretation of the many bars, lines and numbers.

Say in words what the graphic says visually. Write these words yourself — the headline, the explanatory caption and any descriptive boxes. Don't leave this to the copy desk or to the artist to write.

The graphic should stand alone. The reader shouldn't have to go into the story to retrieve information to make sense of the graphic.

Likewise, don't repeat the graphic in the story. Save yourself the time and effort of retelling what you've worked hard to get the graphic to say.

Remember: The best graphics are short, sweet and clear. They work at a glance.

3. Understand that graphics will add to your workload. Prepare to spend extra time and effort to improve the quality of your graphics. You frequently may need to do additional reporting, researching and editing to create the smart graphics you would like to have. Recruit help from other reporters, copy editors and researchers if you need help on deadline to round up additional information for the graphic.

4. Be open to ideas from other reporters, editors, artists and copyeditors throughout the process. Keep focused on the central theme of the story, but be willing to look at other perspectives about the story's visual potential.

5. Understand color. Learn the color production process at your paper. Know the who, what and when of color — who is involved, what they do and when their deadlines are.

Ask to see a color proof (a color key) of any graphics you are doing. Without seeing a proof, you'll never know if the color has been assembled accurately.

6. Look at the data. When a researcher or reporter hands over a set of numbers, stop to see if they jibe with what you already know about the story. Do the numbers match the story? Do they add up? Do they support your idea? Are there critical gaps?

7. Take a step back. Readers should be able to quickly understand a graphic on its own, without the support of the story. After working on the graphic, you are too close to see it like a reader. Have someone who is unfamiliar with the story take a look before it is too far along to see whether it makes sense.

8. Read the graphic when it is published. Start a file of all the graphics you've worked on. Clip and save graphics from other publications that you think are interesting. Solicit feedback on all the graphics you've worked on from other people both in and outside the newspaper. What worked? What didn't?

9. Develop a checklist for your graphics. Is the headline active? Does the nut graf say in words what the graphic says visually? Is the pointer box brief but telling? Is the raw data accurate? Have you credited the source of the data? And have you credited the creator of the graphic?

What is Michael Milken?

He is a builder to his friends, a racketeer to U.S.

In 1987 Michael Milken earned \$550 million...

By DAVID A. VISE and STEVE COLL
The Washington Post

Two weeks ago, Michael Milken received two standing ovations when he gave the keynote address at Financial World magazine's annual dinner at Manhattan's Waldorf Astoria Hotel.

Last week the 42-year-old wizard of the Beverly Hills, Calif., office of Drexel Burnham Lambert received a different message from New York: A 58-count indictment seeking a staggering \$1.8 billion from Milken, his brother Lowell and another Drexel employee, all three of whom also could face long jail terms if convicted.

The disparity of those two events reflects the range of opinion about Milken — between those who believe he has made a great contribution to U.S. business and the economy and those who contend his impact has been destructive and perhaps illegal.

Whichever opinion is correct, there is one thing that everyone can agree on: Michael Milken's steep fees for selling billions of dollars of high-yield, high-risk junk bonds have made him an extraordinarily wealthy man.

In a disclosure that stunned the public and astonished even those who worked most closely with him in Beverly Hills, the government said last week that Milken was paid \$550 million in salary and bonus in 1987.

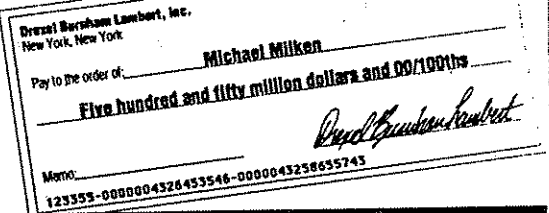
That was more than \$10 million a week, more than most industrial companies make in a year, and slightly more than Drexel itself earned in 1986 — which was believed to be the best year Drexel or any other Wall Street firm ever had.

In defending Milken's pay, Drexel chief executive Fred Joseph told employees last week that it was calculated on a formula based on the performance of the firm's Beverly Hills office. Drexel agreed to honor that compensation deal with Milken even after the department's profits reached unparalleled heights, Joseph said.

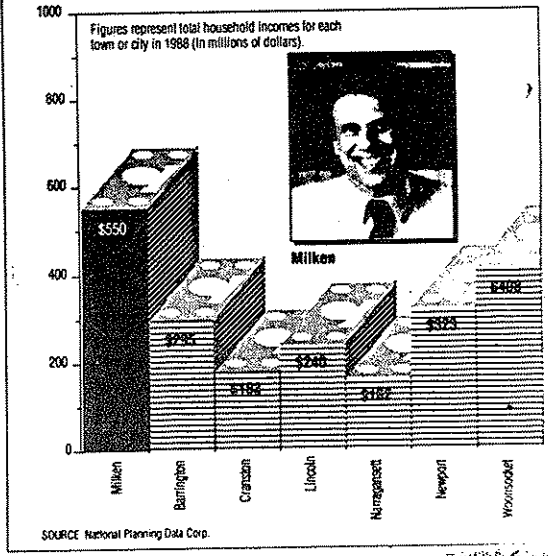
Some of his defenders, including senior Drexel executives, say Milken's enormous compensation is testimony to the importance of his role in arranging financing for corporations planning to expand or acquire other companies. But the government alleged in its indictment that Milken's salary represented the fruits of an illegal racketeering enterprise he conducted through Drexel.

Many of the deals that generated such enormous fees for Drexel are expected to be the focus of a trial that will provide a public airing of Wall Street behavior to an extent not seen since the 1930s when congressional hearings dominated by Senate Banking Committee counsel Ferdinand Pecora exposed the corruption and avarice that gripped the Street before the 1929 stock market crash.

A Milken trial would also attract interest to MILKEN, Page C-14



How much is that? Well, it's a lot more than anyone in Rhode Island earned. In fact, it's a lot more than all the residents of some Rhode Island towns and cities earned.



The 'ball's' on, as usual

By SCOT A. PALTROW
The Los Angeles Times

NEW YORK — Michael Milken, the disgraced king of junk bonds, for the first time won't be there. But Drexel Burnham Lambert nevertheless expects a record turnout this week for its annual "Predators Ball" at the Beverly Hilton Hotel.

"We've had to put a moratorium on new people coming" to the conference, which starts tomorrow, said Steven Andret, a Drexel spokesman.

Drexel never liked the name "Predators Ball" for its high-yield bond conference. Connie Bruck used it for the title of her book about Drexel, referring to predators because the gathering included many of the people who put up huge sums to buy the junk bonds that financed his corporate deals.

GOOD: An innovative way to localize a national story. The graphic is clearly labeled, draws conclusions and stands on its own.

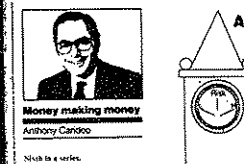
Market

Charting Midw...



Photo by Steve Green

Personal finance/ Investor need...



Money making money Anthony Canino

Which is a series...
The general direction...
Total output...
Source: Federal Reserve Bank of New York

India wants to c...

By Douglas Marston
India is a country with...
The general direction...
Total output...
Source: Federal Reserve Bank of New York

Where to look for more gra...

- There's plenty of help available for those who want to improve the graphics in their sections. Here are a dozen sources from **Bibliography for Newspaper Design, Graphics and Photos** compiled by David B. Gray, Managing Editor/Graphics at the Providence Journal-Bulletin for a recent Society of Newspaper Design Quick Course. The prices are from 1988:
 - The Visual Display of Quantitative Information**, Edward R. Tufte, 1983. Must reading for those who prepare charts and diagrams. Graphics Press, Box 430, Cheshire, CT 06410. 197 pages, \$34.
 - Designer's Guide to Creating Charts and Diagrams**, Nigel Holmes, 1984. For everyone who deals with visual information. Watson-Guptill Publications, 1515 Broadway, New York, NY 10036. 192 pages, \$32.50.
 - How to Lie with Statistics**, Darrell Huff. The basics of how to deal with numbers and their display. W.W. Norton & Company, 500 Fifth Avenue, New York, NY 10110. Paperback, 142 pages, \$2.95.
 - Info-Graphics**, Robert Lewis. A basic booklet on doing informational graphics. Patuxent Publishing Corporation, 10750 Little Patuxent Parkway, Columbia, MD 21044. 8 1/2 x 11, \$6.
- Graphically Sound and Factually Fit**, Steve Segal. Heavy on Macintosh way of doing graphics. Lawrence Eagle-Tribune, Box 100, Lawrence, MA 01842. 8 1/2 x 11, \$10. (He donates the money to the local Red Cross.)
- Handbook of Graphic Presentation**, Calvin F. and Stanton E. Schmid. Basic principles and techniques. John Wiley & Sons, One Wiley Drive, Somerset, NJ 08873. 308 pages, \$33.
- Step-By-Step Graphics**. A how-to-do-it bi-monthly from 6000 N. Forest Park Drive, P.O. Box 1901, Peoria, IL 61656-1901. \$42 for six issues.
- Deadline Mac**, published by the Society of Newspaper Design to help its members be more effective when using the Macintosh computer on deadline. SND, The Newspaper Center, Box 17290, Dulles International Airport, Washington, DC 20041. Phone: 703-620-1083. Membership is \$55/year. Members also receive **DESIGN: The Journal of the Society of Newspaper Design**.
- Newspaper Layout and Design**, Daryl R. Moen, 1989. A good, basic text on the principles of design. Iowa State University Press, Dept. NLD, 2121 South State Ave., Ames, IA 50010. \$26.95.
- Contemporary Newspaper Design: A Structural**

Federal's way back to profits

Gurus recommend return to conservative ways

By Joe Stiles and Alice Shon

Banker Carl Pollard's success in his plan to acquire Midwest Federal Savings and Loan, industry observers say, could return the S&L to profitability by refocusing on mortgage and consumer lending.

But they conclude that the return to profitability will depend on several factors. An audit of the last two years won't be complete for another month, and Pollard is in the early stages of Midwest's recovery. These findings will affect the S&L's ability to raise its stock portfolio. That, in turn, will influence the amount of federal assistance Pollard will seek.

Another impediment is a high-value exchange of assets that will get Midwest and its former subsidiary, Green Tree Acceptor Inc. Such a swap of more than \$100 million over a 183-day period could result in more than \$100 million in cash and other assets from Green Tree. Midwest's assets are being sold in a series of auctions that could exceed \$100 million.

A Super-2000 investment is possible. Midwest continued on page 1D.

Marketplace faces aging, spending Baby Boom

By Jack Tyler

A group of 40th men at around retirement age are being urged to invest in municipal bonds. They have been urged to do so by the National Municipal League, a Washington, D.C., group that has been active in promoting municipal bonds for decades.

The league's report, "Municipal Bonds: A Guide to 'Muni' Bonds," says that the average 40-year-old man has about \$100,000 in assets. It says that if he invests in municipal bonds, he could have \$1 million by age 65.

The report also says that municipal bonds are a good way to diversify a portfolio. It says that municipal bonds are generally less volatile than stocks and are a good way to protect against inflation.

Guide to 'muni' bonds

at tax-exempt securities

Municipal bond volume

What are they? Tax-exempt bonds are debt obligations issued by or through state and local governments for public projects, such as schools, roads, and water supply. Municipal bonds are sold in two categories: revenue bonds, secured by the revenues from a project, and general obligation bonds, secured by the taxing authority of the issuer.

Where can you buy them? From many banks, discount brokers and virtually all full-service brokers.

Is there a commission? Yes, its amount often depends on what an individual broker and his trading department can command. Called "the spread," the commission is the difference between the price requested by the buyer (the bid) and the price offered by the seller (the offer).

How do they fit into your portfolio? They are ideal for investors with high tax brackets because they may realize more income than they would from a taxable investment with a higher yield.

State and local government securities are a good way to diversify a portfolio. They are generally less volatile than stocks and are a good way to protect against inflation.

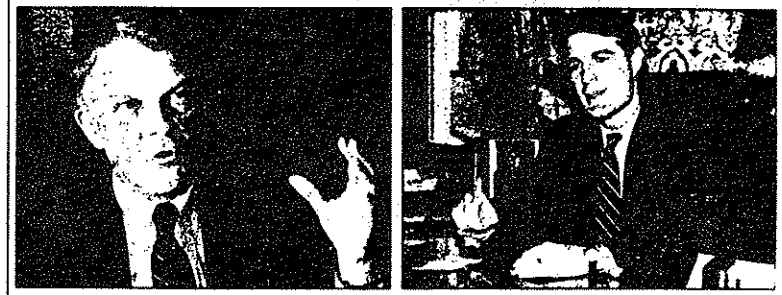
INDIANA ECONOMY

TAKEOVERS

REJECTED SUTOR — LFC Financial Corp. says it does not plan to acquire Midwest Federal Savings and Loan. The rejection of LFC's \$15.25-per-share offer came Oct. 17, and LFC sent its response on Friday.

LFC had amended its position, offering to buy Midwest's stock at \$15.25 per share, but Midwest's board of directors rejected the offer. Midwest's board of directors also rejected LFC's offer to buy Midwest's stock at \$15.25 per share, but Midwest's board of directors rejected the offer.

Different candidates, same ideas



John Mutz says he will continue the course he has established as lieutenant governor. Even Bayh has attacked the incentive practices of the Orr-Mutz administration.

THE SIMILARITIES

Both believe economic trends make small business increasingly important.

Both believe it's necessary to help small manufacturers adopt new manufacturing technologies.

Both say small-to-medium size companies need more help training their employees for skills needed to compete in a world economy.

THE DIFFERENCES

To help small manufacturers with new technologies:

- Mutz would ask \$1 million in the next two years' budget for the Technical Assistance Program at Purdue University.
- Bayh would create two new organizations. A new research institute — funded with a \$1 million, one-time grant — would sponsor research in manufacturing technologies. A manufacturing extension center would be created.

For the Seed Capital Revolving Loan Fund:

- Mutz would appropriate \$5 million and use it to fund the fund.
- Bayh would create local seed funds with \$10 million each.
- Bayh would appropriate \$2 million and use it to fund the fund.

The state's economy clouded by drain in manufacturing jobs

A changing workforce

PERCENT OF TOTAL WORKFORCE IN RHODE ISLAND

Year	Finance and real estate	Jewelry	Metals and machines	Services	Textiles
1947	18.5%	10.2%	25.9%	5.2%	7.8%
1963	13.0%	3.7%	37.6%	4.8%	9.7%
1984	23.8%	6.4%	27.7%	5.7%	32.2%
1988	28.7%	6.5%	25.5%	5.8%	33.3%

Eye on Business
Thomas S. Mulligan

The large graphic on the front page of this section illustrates how Rhode Island, Massachusetts and Connecticut have lost ground in job creation to the northern New England states over the last few years.

Particularly striking is the contrast between Rhode Island and New Hampshire because of their similar size. They started nearly dead even in 1982, with 254,499 nonagricultural jobs for New Hampshire and 390,500 for R.I. But at the end of 1988, the score was New Hampshire 533,500, Rhode Island 457,777.

Rhode Island's manufacturing jobs — with a few big exceptions, such as machine tools — have never been at the top end of the wage scale. The state's average manufacturing wage as of last September was \$8.55 an hour, nearly 20 percent below the national average of \$10.50.

The chart at right shows some of the details of this shift in Rhode Island. It consists of four "snapshots" of a portion of the state's employment base, taken in 1947, at the start of the postwar economic revival; in 1963, arguably the peak time for the Rhode Island economy; in 1984, as the current boom was gathering steam; and in mid-1988.

The most obvious trends that the chart illustrates are the boom in "services" — everything from waiting on tables to practicing law — and the erosion of textiles and the high-paying metal trades as major players on the Rhode Island job scene.

Rhode Island's manufacturing jobs — with a few big exceptions, such as machine tools — have never been at the top end of the wage scale. The state's average manufacturing wage as of last September was \$8.55 an hour, nearly 20 percent below the national average of \$10.50.

Business with state firms

By Dick Youngblood

Business with state firms is a hot topic in the Northeast. The sort of business that state firms do is changing. The sort of business that state firms do is changing. The sort of business that state firms do is changing.

Exemplary graphics wonderfully well-represents a complete story by itself.

Graphics help

Each, Mario Garcia. The Poynter company student summarized here. Prentice-Hall Publishers, Route 59 at Brook Hill Drive, West Nyack, NY 10995. 256 pages, \$25.67 paper; \$40.33 hardcover.

At Every Editor Should Know About Layout Typography, Bill Chadbourne. From 'Getting the reader's attention' to 'Sizing the art.' National Composition Association, 1730 North Street, Arlington, VA 22209. 38 pages, \$5.95.

Color Guide to Color Reproduction, Communication and Control and Color Separation Techniques Miles Southworth of the School of Printing at RIT. The first covers color theory and the second has more on scanners and the separation process. Graphics Arts Publishing Company, 3100 Bronson Hill Road, Livonia, NY 14456. Write for prices.

Color in American Newspapers, The Poynter Institute for Media Studies. Results of basic research on how readers react to color. Excellent graphics on color. Poynter Institute, 801 South Street South, St. Petersburg, FL 33701. 200 pages, \$7.95.

INVESTMENTS 1989

It's time to leave the sidelines

By Martha J. Alcott

LAST YEAR was a time for most investors to avoid the stock market. But 1989 appears ripe with opportunities for making money — as long as investors choose their investments wisely, financial advisers say.

The bond market took a dive two years ago, but 1989 appears ripe with opportunities for making money — as long as investors choose their investments wisely, financial advisers say.

Investors are pretty shell-shocked, he explained. On a scale of one to five, with one the least amount of risk and five the most, people here are hovering around a two when they really should be closer to a three or four, he said.

INVESTORS willing to venture away from their risk-free bank vaults have a variety of opportunities that are relatively safe, financial advisers say.

That's the idea, he said. The stock market is "terrific." The reason for the optimism is "terrific." The existence of large cash holdings translates into significant buying power that can fire up stock prices; corporate insiders are heavily buying their company stock; and pessimism is so widespread that it begs for contrarian action.

"I love being an investor in a portfolio environment," he said.

SAVINGS ACCOUNTS AND MMAs
LOW RISK

LIFE INSURANCE AND ANNUITIES
LOW RISK

CORPORATE BONDS (HIGH QUALITY)
MODERATE RISK

MUNICIPAL BONDS
MODERATE RISK

COMMON STOCKS
MODERATE TO HIGH RISK

MUTUAL FUNDS
GENERALLY MODERATE RISK

REAL ESTATE (NOT RESIDENCE)
MODERATE TO HIGH RISK

LIMITED PARTNERSHIPS
MODERATE TO HIGH RISK

NOT SO GOOD: The graphic is the right solution to the problem, but the execution falls short. When graphics rely heavily on text, it's important to give readers a roadmap through it. Typographic detailing would give the graphic a boost. Headline type would offer a quick scan to see where the graphic is going.

NOT SO GOOD: This graphic is too confusing visually. It fails to draw any conclusions for readers. To find out what the graphic means, they are forced to search for context in the accompanying column.

NOT SO GOOD: This graphic is too large for the amount of information it delivers. The cafeteria analogy is a tired cliché, but it would have been more successful if the artist had drawn representations of Mutual Funds and Common Stocks instead of cupcakes and cookies. The effort to categorize the risk assigned to each investment from high to low is lost visually.

For charts: Make a list— and check it

Here is a checklist editors and graphics specialists can use to improve the quality and accuracy of charts:

1. Are the right numbers used? For instance, should you use raw budget numbers, or should you convert spending to a per capita basis? Should you use raw numbers or percentages?
2. Are the measurements on the data lines spaced equally? Do they represent equal amounts or time periods?
3. Are the units in bar graphs and pie charts consistent? Problems most often arise when an artist tries to incorporate the parts of the graph into artwork.
4. If any of the lines or shapes are canted, are the data distorted? Canting—turning the elements in a graphic to gain a new perspective—makes part of the graphic look farther away. How does the reader know whether the size difference is a result of quantity or distance?
5. Are the data variations sufficient to be used in a chart? A national newspaper recently tried to show the growth in number of golf courses of less than 1,000 over several years using tick marks with a value of 2,000.
6. Is the choice of chart appropriate for the content? Bar charts, fever charts, pie charts and tables each have strengths and weaknesses.
7. Is there full disclosure? If we convert to our time zone, do we say so? If we adjust dollar amounts for inflation, do we say so? If we use an estimated number to round out the chart, do we say so?
8. Do we have a specific headline to tell readers what they are about to see? While graphics that update data on a daily or weekly basis may not need headlines, most other graphics are improved by them. Labels aren't acceptable on stories. They shouldn't be on graphics either.
9. Is there a succinct copy block or caption that explains the graphic? Does it add information the reader couldn't get by looking at the chart?
10. Is there a source line? We require attribution in stories; we should have the same standard for information graphics.
11. Does it use space efficiently? Charts should be sized so that the type is legible. Unlike photographs, charts do not gain impact as the size increases.
12. Does the artwork interfere with the message? Although there is no research to support it, many graphic specialists believe that artwork draws more attention to the graphic. However, when the lines or bars are incorporated into the drawing, sometimes the data are lost or distorted.
13. Has the story been edited with the graphic in mind? There is no need to repeat all the information in the story, but at many newspapers, the reporters and copy editors do not see the graphic.
14. Do the numbers in the story agree with the numbers in the graphic? One newspaper had to kill a graphic at deadline because the reporter used the top 100 companies and the graphic artist used the top 200 companies to tell a business story.
15. Are the numbers correct? Proofing will catch typos, but it will not prevent publication if the wrong numbers were given to the graphic artist.
16. Are the colors appropriate? Red in a graph about money means deficits. Green is inappropriate on a graph about droughts.

Daryl Moen

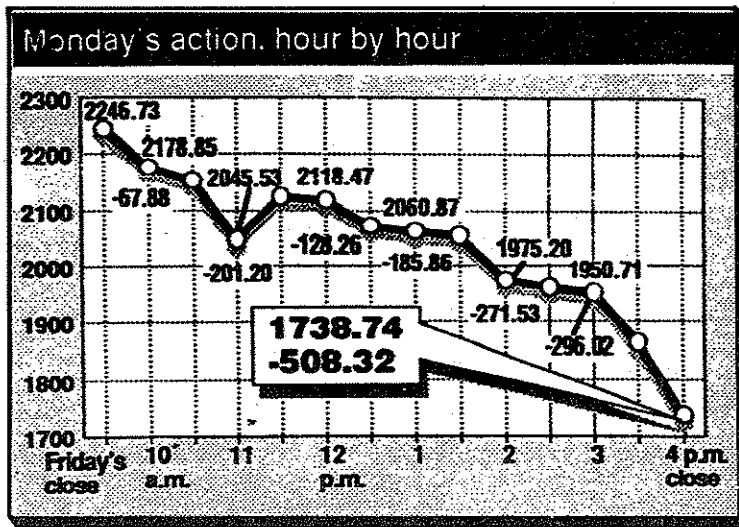


Chart 1

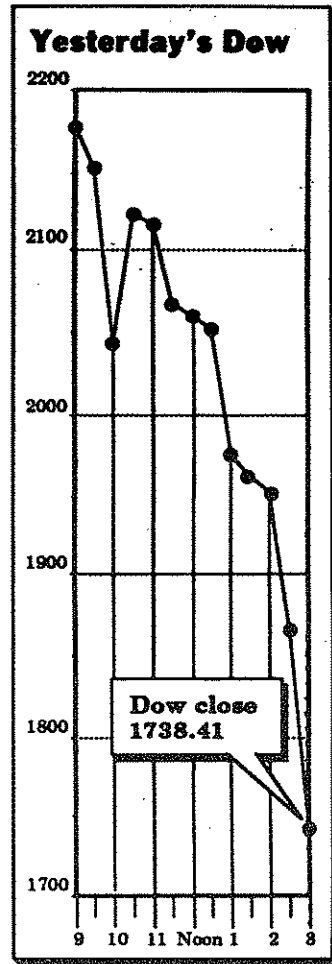


Chart 2

Design errors make statement

(Continued from Page 1)

number of errors on a daily basis in practically all newspapers and magazines. Each semester when I have students randomly select two graphics and analyze them, they find design errors in about a third of the graphics.

These design errors can make an editorial statement.

Compare the visual messages of Charts 1 and 2. If you graph the hourly Dow Jones averages for Oct. 19, 1987, you can do it horizontally or vertically. The more space between the tick marks on the horizontal axis, the gentler you let the market down. In Chart 2, the tick marks are compressed to make the graph fit a vertical space. The message is that the bottom fell out of the market. Same numbers, dramatically different message. Which viewpoint is accurate and fair?

Five ways to erroneous graphics

Besides unevenly spaced data lines, other common errors found in information graphics include:

1. Using the same units on data lines to reflect different time periods. I have seen many fever charts where the X axis starts out in years and ends in months. In the chart on Christmas tree sales, (Chart 3), the first two tick marks represent five-year spans. The next two represent eight-year spans. That inconsistency can dramatically affect the accuracy of the message.
2. Failing to divide portions of the pie accurately. A national newspaper recently ran a pie chart with one portion labeled 59 percent. That portion consumed 65 percent of the pie.

3. Placing graphics reporting similar data adjacent to each other but changing the units of measurement and not alerting the readers in a copy block. For instance, one newspaper reported crop production in a series of three small graphics (Chart 4). The graphs appear to show Missouri produces more corn than Illinois. However, only readers who carefully examine the graphs will see that the Y axis values are different. Missouri produces only one-fifth as much corn as Illinois.

The value of most graphs is that they can be read on two levels. The first is the visual. We see trends. The second is the information we get by examining the graph to get the numbers.

4. Dropping some of the years in a fever

chart. A national newspaper recently graphed the number of working mother for a period of 10 years.

However, there were only eight tick marks on the X axis. Which two years are missing?

5. Distorting the information by trying to incorporate the bars or fever lines into artwork. In the worst of these instances, the practice leads to distortion. In others, the graph may be accurate but difficult to read. For instance, in Chart 3, the fever lines continue beyond 1987 to accommodate the art work. That appears to suggest that sales of all types of trees will continue to increase. However, even the figures for 1987 are projected.

Daryl Moen

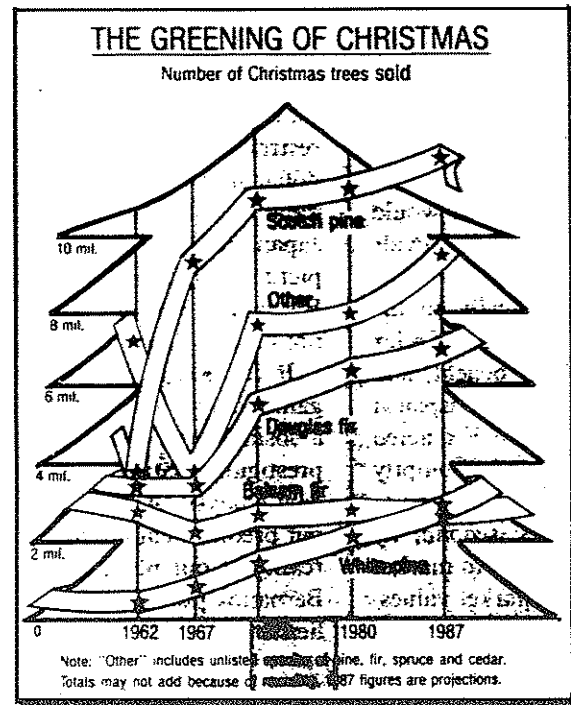


Chart 3

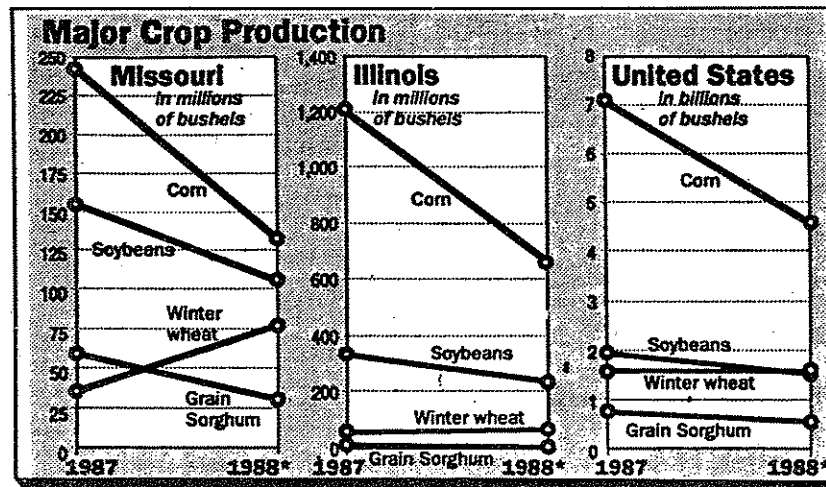


Chart 4

Korea

Booming economy means story opportunities abound for business journalists

By David Johns

The so-called "miracle of the Han River" has wrought remarkable economic changes in Korea, creating abundant opportunities for businessmen, as well as business journalists.

With the flood of Hyundai cars, Leading Edge computers and Samsung VCRs making their way into the U.S. market, Korea has reaffirmed its new role as a major player on the global trade scene.

As the Korean export machine rolls relentlessly onward, taking on the challenges of protectionism, labor unrest and currency appreciation, the resilient Korean economy is likely to draw greater attention from the world's leading media organizations.

In the past three decades, the Korean capital of Seoul has been transformed from a war-ravaged city of ashes and rubble into a bustling metropolis with all the amenities, and inconveniences, of modern life.

Skyscrapers have supplanted the wooden shacks that once lined the banks of the Han River, and bumper-to-bumper traffic has replaced most of the bicycles and hand-drawn carts that once graced the streets of Seoul.

Most of the world first learned about Korea's "economic miracle" during the 1988 Seoul Olympics, which gave the host country the chance to showcase its super-highways, modern factories, skyscrapers, telecommunications facilities and computer systems. But behind the showcase lies a wealth of economic and business stories, some obvious, others hidden, some complimentary, others disparaging.

Lurking behind the facades of Confucian officialdom, thousands of stories are waiting to be captured by the pens and laptops of foreign journalists. While the major wire services do a credible job of covering economic news, they are limited by time restraints and the need to cover breaking political and social developments.

Some publications, such as the Washington Post and The Asian Wall Street Journal, maintain correspondents in Seoul, but others cover Korea from Tokyo or Hong Kong. The Far Eastern Economic Review's Seoul bureau keeps up with economic developments on a weekly basis.

Despite the movement toward democratization, Korean media organizations remain influenced, to varying degrees, by the government. The opposition Hankyoreh Shinmun, whose staff includes many

former political dissidents, is an excellent source. Another is the Maeil Kyungje Shinmun (Daily Economic Newspaper).

Still, many stories remain uncovered by the foreign press, and opportunities abound for the savvy and aggressive investigative reporter. Following are some of the major economic issues that warrant international press coverage:

Economic growth

Boosted by brisk exports of manufactured goods, the Korean economy posted some of the world's highest GNP growth rates in the past three years — 11.3 percent in 1988, 11.8 percent in 1987 and 12.3 percent in 1986.

Since Korea initiated its post-war development program in the 1950s, its economy has expanded at an average pace of more than 8 percent a year. Per capita GNP is expected to reach \$4,000 in 1989, bringing Korea closer to its goal of "joining the ranks of advanced countries."

The current account surplus increased from \$9.9 billion in 1987 to an estimated \$14 billion in 1988. After recording consecutive trade deficits over two decades, Koreans saw their first surplus (U.S. \$4.6 billion) in 1985. Korea slashed its foreign debt from U.S. \$44.5 billion in 1985 to U.S. \$35.5 billion in 1987 and is expected to become a creditor nation in the 1990s.

Up-to-date macroeconomic statistics can be obtained from the Economic Planning Board. For forecasts of future economic directions or trends, reporters should contact the Korean Institute of Economics and Technology or the Samsung Economic Research Bureau.

Electronics industry

Fueling Korea's rapid export expansion has been its sizzling electronics industry, which has recorded average annual growth rates exceeding 30 percent over the past 10 years. The electronics sector passed the U.S. \$10 billion export mark in 1987, second only to textiles, the traditional export leader.

For macroeconomic data, contact the Electronic Industries Association of Korea or the Ministry of Trade and Industry's Consumer Electronic Industry Division.

A relative newcomer to the high-stakes electronics game, Korea has become the world's sixth largest producer of electric-electronic goods. In production capacity, Korea ranks first in the world for more (See KOREAN, Page 4A)



Artwork by Joanne Birtzer

Korean sources

All contacts in Seoul, except where noted. Prefix for international calls to Seoul is 822.

Background

Far Eastern Economic Review Seoul Bureau — Mark Clifford, economic correspondent, 732-7354.

Maeil Kyungje Shinmun — Shin Jang-Sup, reporter, 276-0201, ext. 314.

Economic data

Economic Planning Board — Oum Bong-Sung, senior counselor to deputy prime minister, 503-9027.

Korean Institute of Economics and Technology — Lee Kyung-Tae, researcher, 962-6211.

Samsung Economic Research Bureau — Lim Dong-Sung, president, 751-8321.

Electronics industry

Electronic Industries Association of Korea — Lee H.S., general manager, 553-0941.

Consumer Electronic Industry Division, Ministry of Trade and Industry — 500-2518.

Korea Advanced Institute of Science & Technology — Kim Hyun-Moon, director of Engineering Software Research Group, 967-8801.

Electronics & Telecommunications Re-

search Institute — Lee Jin-Sik, public information officer, 042-822-4455, ext. 2122.

American Chamber of Commerce in Korea — James W. Booth, president, 753-6471.

Exports

Ministry of Trade and Industry — Kim Chul-Soo, assistant minister for trade, 503-9498.

Korea Foreign Trade Association — 551-5313.

Korean Embassy in Washington — Sohn M.H., minister for economic affairs.

U.S. Embassy in Seoul — Ralph Gifford, agricultural attache, 732-2601, ext. 4297.

Northern policy

Kingston International Development Ltd. in Beijing — Willie Park, representative, 500-2233.

Korea Foreign Trade Association, Hong Kong Branch — Choi S.M., research manager, 543-2234.

Labor

Asian-American Free Labor Institute — Harry Kamberis, country director, 548-0755.

Corporate data

Daishin Securities Co. — D.R. "Bob" Werner, International Planning Department, 784-1711, ext. 229.

Ssangyong Investment & Securities Co. — Kim Dong-Soon, assistant manager, 771-12.

Pointers for journalists working in Korea

By David Johns

Successful reporting in Korea requires adherence to a few basic rules, which can make the difference between a puff piece and a scoop. Here are some pointers on how to open doors and sniff out the business news in Korea:

- Exchange name cards. Never go anywhere in Korea without a good supply of name cards. The habit of exchanging cards is a modern tradition on par with

the bow or handshake. This ritual, practiced by businessmen as well as reporters, is an effective means of formally establishing one's identity, and it eliminates the need to verbally announce one's name and job title.

Failure to carry a card is not cause for crisis, but it can create an embarrassing situation and perhaps a negative impression in the mind of the Korean contact. Cards can be printed in English on one side and Hangul (Korean) on the other.

- Use third-party introductions. A reporter generally can establish a more substantial relationship with a source if introduction is made through a third party.

Direct contacts can be fruitful, but in most cases a source will be more helpful and forthcoming if the initial meeting is arranged by a mutual acquaintance. Use of a go-between greatly enhances the reporter's credibility in the mind of the Korean source.

- Know your kimchi and soju. Korea is one of the most fertile places to be for a pursuer of business news, but it is also one of the most difficult places to gather information, unless the reporter has some understanding of the ancient country's customs and idiosyncracies. Journalistic success does not require expertise, but any effort to understand Korea's colorful culture will be appreciated by the hosts.

(See KNOWING, Page 4A)

Korean economy relies heavily on exports

(Continued from Page 3A)

nochrome TV sets, second for VCRs, microwave ovens and video cassette tapes, and third for color TVs and telephones.

Through cooperation with the Korea Advanced Institute of Science & Technology and the Electronics & Telecommunications Research Institute, Korean firms work on the development of new technologies, or at least the imitation of foreign technologies.

In many cases, Korean companies' export markets are restricted by technology transfer agreements, but the willingness of some Korean exporters to abide by the contracts is questionable. Under COCOM regulations, Korea is under pressure to restrict exports of high-tech products with potential military applications to communist countries. Both matters are in need of discrete investigative reporting. For background, start at the American Chamber of Commerce.

Exports

A nation with sparse natural resources of its own, Korea relies heavily on exports to sustain its economic engine. Exports are beginning to shift away from such traditional industries as toys, apparel and low-quality textiles toward more technology-intensive products.

The United States takes in about 40 percent of Korea's exports, but Korean firms are trying to diversify their markets to avoid U.S. protectionism. Although Japan and India were cited as "unfair trading countries" under Super Section 301 of the U.S. trade law, the USTR is likely to keep a close eye on Korea's market-opening behavior in the years to come.

The role of journalists in this regard is to monitor tariff rates, quotas and other non-tariff import barriers and to see if Korea's actions live up to its promises. For information, start with the Ministry of Trade and Industry or Korean Foreign Trade Association.

For a country formerly known as the "Hermit Kingdom," opening import markets to foreign goods is a painful process. U.S. pressure has fueled anti-Americanism and awakened the intense nationalism nurtured by resistance to countless foreign invasions over the centuries.

Knowing Korean customs is helpful

(Continued from Page 3A)

Koreans take deep pride in their cuisine, language and art, which are distinctive from those of their Chinese and Japanese neighbors. Thus, it would be advisable to bone up on Korean history and traditions before visiting the "Land of Morning Calm."

Any perceived disrespect for Korean culture can damage a relationship, as demonstrated during the Olympics. The American athletes were rebuked by the Korean media for "misbehaving" upon their "unruly" entry to the stadium during the opening ceremony. Their mugging for the cameras was viewed as a sign of arrogance.

Also, Koreans can be ultrasensitive to criticism, as seen by the nationwide outcry against NBC's coverage of the Olympic boxing scandal.

When it comes to food and drink, Ko-

reans can hold their own against anyone in the world. Sharing a few bottles of beer or soju (a clear, rice-based whiskey) can break the ice in a new relationship, opening the floodgates of information.

During a heavy drinking session, the custom is to empty your glass, pass it to someone else and fill it to the brim. Always use your right hand when passing or pouring.

Bowing is not always necessary, but it can help make a good impression and show that you respect the culture. However, most Korean businessmen have adapted well to Western ways and are accustomed to shaking hands.

• One favor begets another. This unwritten rule of the Orient implies that "there is no such thing as a free lunch" in the chemistry of relationships. If someone helps you make a valuable contact, for example, it would not be inappro-

priate to buy him or her lunch.

And don't be surprised, after receiving a tip or news lead, if you are asked to reciprocate in some way. Not unlike the Chinese, who are legendary for their culinary strategies, Koreans may try to get to your pen through your stomach.

• Do you speak English? If you speak English, you should be able to gather enough information for a good story. Most high-ranking executives and university professors have traveled and/or studied in the United States, and many are eager to tune up their rusty English-speaking skills.

Much of the economic data emanating from the government and private institutes are written in Korean, however. In general, the headings of charts and tables can be translated easily and quickly by a Korean friend or colleague.

Last year, under pressure to open the cigarette market, Korean housewives organized a boycott of American cigarettes. Manure-slinging farmers attacked a government official who favored rapid market liberalization. Korean newspapers persistently decry the efforts of the U.S. to enter the domestic beef market, arguing it would devastate Korean farmers. Thus, the nation rallies to protect its farmers, whether they raise beef, tobacco or rice.

Northern policy

The Olympics helped open Korea's economic expansion behind the Iron and Bamboo curtains. Until recently, most of the communist bloc countries were strictly off limits to Korean companies. The sports diplomacy preceding the Seoul Games paved the way for unofficial trade with Soviet Union and the nations of eastern Europe.

Since then, under the "Northern policy" of President Roh Tae-Woo, Korea has exchanged trade offices with Hungary and Yugoslavia, and plans reportedly are

in the works for establishing mutual trade offices with China and the Soviet Union.

Two-way trade with China, a bitter enemy during the Korean War, has surged to \$3 billion annually, despite the fact that Seoul and Beijing do not have diplomatic ties.

Korean companies have several joint venture plants in China, including a large refrigerator factory in Fuzhou.

South and North Korean officials have held periodic talks on economic cooperation since the Korean War, but disagreements have led to inevitable breakdowns. Plans for limited trade collapsed earlier this year when a North Korean shipment of coal proved to be substandard. Things are moving behind the scenes, however, so don't be sidetracked by local press reports.

Labor unrest

Korea's robust economic growth and the modernization of Korean life have created sudden political and social changes. Democracy has led to waves of labor unrest, unleashing the pent-up frustrations of workers and putting a damper on the Korean export machine.

Foreign companies have not been exempt, as shown by violent clashes at Motorola Korea and more peaceful confrontations at IBM Korea and Australia's Westpac Bank. Rising wages have reduced the price competitiveness of Korean goods on overseas markets and many orders have gone unfilled.

Journalists need to assess the long-term impact of labor unrest on Korean exports, foreign investment and political stability.

Scandal

A nation ruled for decades by military dictatorship, Korea has had its fair share of scandal and corruption. Some historians argue, in fact, that corruption is an ingrained tradition that goes back to the Yi Dynasty (1392-1910) kings. Under the Fifth Republic of former President Chun Doo-Hwan, corporate heads were "advised" to make huge donations to Chun's Il-Hae Foundation.

Several questions arise: Do vestiges of the "donation mentality" and favoritism linger in the wake of democratization? Are certain companies given special tax and investment privileges by the government?

Success stories

A driving force behind the rapid economic growth of the 1970s and 1980s was

the power of the chaebol, large conglomerates comprising a diverse range of companies. The Ssangyong Group, for example, spans a wide range of fields, from cement to computer software to fire trucks.

Much has been written about the chaebol and their political ties with the former president, Chun Doo-Hwan. Some of the chaebol founders, such as Chung Joo-Young, honorary chairman of the Hyundai Group, and Daewoo Chairman Kim Woo-Joong, are national celebrities.

Some of the more interesting, or at least newsworthy, stories can be found among the up-and-coming small- and medium-sized firms. There is a "Korean dream": Entrepreneurs can make it big in Korea by working hard and making the right connections. The smaller companies were given a boost by the opposition parties' recent victories in National Assembly elections.

Balance sheets and other information pertaining to publicly held companies can be obtained from most securities houses in Seoul.

Stock market

The bulls have run wild on the Korean Stock Exchange in recent years, ignoring the October crash en route to higher altitudes. In the short-term, prices can fluctuate wildly in response to government policy.

Foreign investors have had to watch the party from the sidelines, but the stock market is scheduled to be opened in phases during the 1990s. Foreign securities companies have set up shop in Seoul to prepare for entry into the lucrative equities business.

The Korean government fears a possible flood of Japanese capital into the stock market and is understandably reluctant to open the door. Liberalization has been postponed in the past, and foreign journalists need to monitor real progress and distinguish between legitimate reasons and foot dragging.

David Johns was a journalist in Seoul for almost five years, including one year as business editor of Business Korea magazine. Since returning to the United States, he has established a consulting and freelance business. Address: 2200 Yuma Drive, Columbia, MO 65203 (tel. 314-445-6783)

Consumer angle must be considered

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of stakeholders — consumers who pick up the tab for our system of free enterprise.

We shouldn't forget them and leave consumer coverage to city desks, feature departments and TV action lines that lack the technical expertise to cover the consumer-business relationship with aggressive sophistication.

Business reporters have the expertise to determine the consumer impact of such phenomena as shrinking profit margins, ballooning inventories, growing debt-equity ratios, shifting currency valuations, industry consolidations and even a falling stock price.

A city desk or feature reporter at my paper could not have done justice to the story of how airline consumers have been affected by recent events at Northwest Airlines: a merger with Republic Airlines that gave Northwest 80 percent of Twin Cities flights, bitter labor disputes over combining union contracts and a leveraged buyout of Northwest caused by the interplay of

record earnings, undervalued assets, a depressed stock price and tax law that favors debt over equity.

David Phelps, our transportation reporter, and David Hage, who covers workplace issues, were able to translate those technical financial concepts into understandable front-page stories about declining customer service and skyrocketing air fares.

We have to do more of that. We as business journalists have to examine how the practices and policies of business affect the lives of consumers. My managing editor refers to it as the "consumer/business nexus."

If I am true to the name of my section, I won't keep my reporters so busy writing about corporate performance that they don't have time to cover the other dramas of the marketplace, especially the high-stakes confrontations between those who produce and those who consume.

Nader is making a comeback. Why not consumer reporting?

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