

7/17/2014 9:13:04 AM RAPID

Utah State University UUS
In Process Date:

ILL Number: -8185599



Odyssey: **ill.lib.neu.edu**

EMAIL:

Email:

Maxcost:

UUS Billing: **Exempt**

Paging notes:

___ Call # NOS ___ Call #≠ Title

Book/Volume/Issue/Series NOS

(Circle)

Year ___ ≠ Volume ___

___ Article not found as cited –

Why? _____

Initials _____

Staff notes:

OCLC#:

ISSN#: 0193-2241

Lending String:

Lending Articles

Call #: **June 1986**

Location: **ASRS micro 2nd fl**

Journal Title: **The Wall Street journal.**

Volume: **June 1986** Issue: **juno 27**

Month/Year: **June 1986**

Pages: **30(W) 31(E)**

Article Author: **Yoder, Stephen Kreider**

Article Title: **Nintendo Co. isn't just
playing games; it takes on Japan's
computer giants. (International News)**

ILLiad TN: 300545



Borrower: RAPID:NED

Shipping Address:

NEW: Snell Library

Northeastern University Library

INTERNATIONAL

Weakened Contras Won't Gain Quickly From House Approval of \$100 Million

By Clifford Krauss
Staff Reporter of The Wall Street Journal

House approval of President Reagan's \$100 million aid package to Nicaragua's anti-Sandinista rebels provides a symbolic and psychological lift to the staggering Contras but it isn't likely to quickly reverse the movement's two-year political and military slide.

Weakened by internal bickering, persistent charges of corruption and its image among Nicaraguans of being a U.S. creation, the Contras are in need of a leadership overhaul. But the 221-209 roll-call in the House, by establishing bipartisan support for the administration's Nicaragua policy, will take pressure off the Contras to shed allegedly corrupt leaders, including controversial former military officers from Anastasio Somoza's old National Guard.

The House vote, however, does promise to help the rebels' counter Sandinista air superiority and resupply two essentially dormant but critical battle fronts by early 1987. The aid package's training component, which includes the use of U.S. military advisers outside of Nicaragua, is designed to convert the movement into a politically savvy guerrilla army that knows how to mix with the people and gain their support rather than brutalizing them. But most important, the House vote reverses the impression among the rebel rank and file that their chief ally is abandoning them. (The House shelved the aid proposal in March and April.)

Booyed by the House's reversal, Contra leaders announced in Washington their intention to form a government-in-exile that would include representatives from more than a dozen political parties, labor unions, business organizations and Indian groups.

"You're talking about people who were totally demoralized because they didn't see the supplies coming. Now we have breathing space," said one key Nicaraguan adviser to the Contras' political leadership. "Clearly the \$100 million isn't an equalizer to the kind of support the Soviet Union is giving the Sandinistas. But it gives the rebels the capacity to establish a sound defense."

Such military relief won't come soon. Assuming that the Senate approves the package as part of an \$8.1 billion military construction bill (it voted in favor of a similar Contra aid request in the spring), the \$40 million released to the rebels in the next few weeks would be restricted to non-military purposes until September. Light weapons, including rifles, wouldn't arrive until mid-October.

Any substantial military turnaround would have to wait until next February, when the aid program releases \$10 million.

World Bank Clears New Brazil Loan Of \$500 Million

By Art Pink
Staff Reporter of The Wall Street Journal

WASHINGTON—The World Bank approved its second \$500 million loan to Brazil in a week—this time to finance restructuring of the country's agricultural industry.

The move was supported by the U.S., which earlier had indicated it would oppose the loan because rural members of Congress said the money would subsidize foreign agricultural competitors.

U.S. officials indicated the administration dropped its opposition after Treasury Secretary James Baker, in an intensive lobbying effort, apparently persuaded farm belt interests that the Brazilians wouldn't use the funds to hurt U.S. farmers.

As a condition to receiving the loan, Brazil agreed to reduce subsidies on its own loans to soybean farmers. Some of the World Bank money will be used to help Brazil meet administrative costs associated with reducing subsidies, and to modernize agricultural marketing by establishing commodities futures markets linked to world agricultural prices.

Some \$400 million of the World Bank loan will go to finance imports of commodity uses, fertilizers and other products to make up for recent drought-related losses. Brazilian authorities have told Congress they expect to buy from the U.S. \$25 million worth of corn, \$10 million worth of soybeans and most of an expected \$100 million worth of planned fertilizer imports. The Treasury argued that the loan was economically sound.

The loan issue had threatened to weaken U.S. Brazilian ties, especially as Washington last week opposed another \$400 million loan the bank approved to finance the expansion and modernization of Brazil's electric power facilities.

Hartford
National
Corporation

Japan Statistics Signal Recovery Unlikely Soon

Special to The Wall Street Journal

TOKYO—Japan, which earlier this week reported the first quarterly economic contraction in 11 years, isn't likely to experience a recovery soon, according to one broad economic barometer.

The Economic Planning Agency said its leading-indicator index, which measures short-term economic trends, fell to 25 in April from 50 in each of the two preceding months. The agency views any reading above 50 as indicating that the economy is likely to expand in a few months; if the index falls below 50, economic contraction is likely.

On Tuesday, Japan said that first-quarter gross national product, its output of goods and services, declined an inflation-adjusted 0.5% from the prior three months and at a 2.1% annual rate.

Also yesterday, the Ministry of International Trade and Industry said industrial production fell 1.8% in May from a year earlier, the second consecutive monthly decline. April's 0.4% drop in production was the first decrease in 38 months.

In a third report yesterday, the Foreign Trade Council said export contracts concluded by major Japanese trading houses fell 21% in May from a year earlier, the fourth consecutive monthly decline.

Japan's export-driven economy is suffering mainly because of the strong yen, which raises the cost of Japanese exports.

Despite the decline in the leading indicator, an economist at the planning agency said, "We would like to continue to watch various indicators for a while longer before making any conclusions about the future of the economy. The non-manufacturing sector still remains healthy, and we have to find out how this will affect the economy as a whole."

Outside the manufacturing sector, companies such as electronics makers have been aided by the strong yen, which reduces the cost of imported raw materials, including oil.

Vehicle Exports Fall 0.4%

Special to The Wall Street Journal

TOKYO—Japanese vehicle exports slipped 0.4% in May from a year earlier, the first decline in 15 months, the Japan Automobile Manufacturers' Association said.

Shipments of cars, trucks and buses totaled 529,302 units.

Officials indicated that May's decline could mark the start of a downturn in vehicle exports. They said they couldn't attribute the decline to a specific cause but speculated that the strong yen was at least partly responsible.

Nintendo Co. Isn't Just Playing Games; It Takes On Japan's Computer Giants

By Stephen Kraizer Yoder
Staff Reporter of The Wall Street Journal

KYOTO, Japan—Youngsters line up at shops to buy its computers. Stock analysts tout its shares. Television commentators debate its machines' impact on Japanese society.

The fuss is about Nintendo Co. and the computer that has become a national obsession, an innocuous-looking game machine called the Family Computer. Since 1983 young Japanese have snapped up seven million of the computers they call the Famicom. Now the company has grandiose plans for widening the Famicom's usefulness.

Twenty years ago Nintendo was a sleepy provincial company with a line of Walt Disney playing cards. These days the toy maker is looking to take on Japan's Goliaths in the market for home computing. "It's really awesome," says a Hitachi Ltd. executive. "They're hit right at the heart of the market's needs."

Beating the Big Guys
Japan's consumer-electronics industry often seems to be a juggernaut of giant companies. But Nintendo and a few other small concerns, with a combination of technological wizardry, clever marketing and luck, have been able to challenge the behemoths and survive.

Nintendo's dour, gray-haired president, Hiroshi Yamauchi, knows a lot about survival. When he quit college at age 22 to become Nintendo's president in 1949, the company was still making Japanese playing cards, much as it had since his grandfather started the business in his Kyoto home in 1880.

Mr. Yamauchi tried Walt Disney playing cards, table games and even instant rice before he settled on electronic toys in the 1970s. But Nintendo's bonanza days didn't begin until 1980 when it introduced a hand-held computer game with a liquid-crystal screen. Called the Game & Watch, its main feature was a button-controlled game in which little characters tried to catch eggs or dodge gorillas. Nintendo sold 35 million of them. The company's line of arcade games also did well.

When demand for the hand-held games fell flat, Nintendo had the Family Computer waiting in the wings. Within a year of its 1983 introduction, waiting lists of three and four weeks weren't unusual. Hundreds of customers lined up for hours when a store announced it had received a shipment.

Barely Meeting Demand

Nintendo now makes 400,000 units a month, barely keeping up with demand. The company expects the Japanese to be using 10 million Famicoms by the end of the year, despite parents' much-publicized worries that their youngsters are forsaking studies to play computer games.

Encased in a book-size plastic box, the \$88 Famicom hooks up to a television set. It has no keyboard, only a few buttons to ma-

neuver the cartoon-like characters and spacecrafts that appear on the screen. Each game program is written onto memory chips in a game cartridge that plugs into a socket on the computer.

In its basic form, the Family Computer can't process words or crunch numbers like most home computers do. But unlike personal computers, which are slow and clumsy at many games, the Family Computer's eight semiconductor chips pack the power and speed of a heavy-duty arcade game. In all, Japanese have bought 62 million Famicom games cartridges.

The company expects sales to hit the equivalent of \$680 million in the year ending Aug. 31, up 48% from the previous year. The company expects pre-tax profits to be more than \$190 million, up 44%. Nintendo's share price has soared recently to \$37.54, up from about \$3 in 1981. Mr. Yamauchi's 12% holding is valued at about \$380 million.

To be conservative, Mr. Yamauchi is saving for a rainy day. Of \$650 million in assets, Nintendo keeps 30% in liquid assets, 31% of that in cash.

Some of the cash will help Nintendo leapfrog from toys to telecommunications. The company has designed a device, to retail for \$120, that will connect the Family Computer to a telephone. Nintendo reckons it can get its millions of Family Computer users to buy the device to enable them to join an information network of a size most microcomputer makers can only dream of.

A Famicom network could eventually provide more serious services. Nintendo plans to place Family Computers in stock-brokerage offices, for instance, where they will display up-to-the-minute stock prices. If the plan works, investors who see the machine at the brokerage will want one for their home or office.

Stepping into computer networks pits Nintendo against such giants as Nippon Telegraph & Telephone Corp., Japan's domestic telephone company, and NEC Corp. NTT, NEC and others have had limited success trying to get the Japanese to plug personal computers into phone lines to use such services as computer shopping.

Price Should Help

The cheap Family Computer, Mr. Yamauchi says, should attract consumers who balk at the high price of other systems.

Several big banks, stockbrokerages and travel agencies are negotiating with Nintendo to offer their services through a Family Computer network. And a Misawa Homes Co. subsidiary has an agreement with the company to send education programs over phone lines.

Nintendo began exporting the Family Computer to the U.S. in October and has sold about 200,000 there. Mr. Yamauchi expects to have sold a million machines there by the end of the year, and analysts say the U.S. market could prove to be bigger than Japan's.

An Italian bank
to be found
the world over

BANCA NAZIONALE DEL LAVORO

BANCA NAZIONALE DEL LAVORO

CONDENSED STATEMENT OF CONDITION
FOR THE BANK AND ITS SPECIAL CREDIT
SECTIONS AS AT 31-12-1985
(BILLIONS OF IT. LIRE)

TOTAL RESOURCES 92,250 (+8%), NET WORTH 2,731 (+33%),