

Judge rules GM must pay for switches

New York Times News Service
NEW YORK — More than 12,000 residents of New York, purchasers of 1977 model Cadillacs, Buicks, Oldsmobiles and Pontiacs in which engines were switched, will each receive from the manufacturer, General Motors, \$200 and a three-year full warranty according to a decision handed down last week by Justice Thomas J. Hughes in state Supreme Court in Manhattan.

The award came in the first litigated opinion to be rendered on the issue in the United States, according to Stephen Mindell, the assistant to New York State Attorney General Louis J. Lefkowitz, who handled the case here.

In response to the decision, a GM spokesman said that "General Motors intends immediately to appeal," which could hold up payment to the consumers entitled to the cash allowance awarded by the court.

"General Motors was denied the right to a trial on the merits of the case, where all the facts could have been presented," the spokesman said. "General Motors firmly believes the decision of the New York court is wrong."

General Motors had unsuccessfully sought to have this latest suit dismissed on the ground that it duplicated a previous suit in which the attorney general and the corporation reached a mutual agreement.

That agreement, dated last April 25, provided relief for approximately 5,000 purchasers of 1977 Buicks, Pontiacs and Oldsmobiles in which Chevrolet engines had been installed.

The agreement offered consumers two options. They could exchange their cars for new ones, which required them to pay a coast of 8 cents a mile for depreciation, or they would receive a warranty. That warranty, good for three years or 36,000 miles, covered the power train — including the engine, transmission and rear axle.

In October, the Appellate Division affirmed the judgment of the state Supreme Court, which held that the suit decided last week was not duplicative "because the prior petition was directed to engines manufactured by the Chevrolet Division, and the present one to those manufactured by all divisions of the General Motors Corporation."

In Justice Hughes's four-page opinion, he noted that he intended to sign an order enjoining the corporation from selling in New York "any Cadillac, Buick, Oldsmobile or Pontiac automobiles containing engines produced by a division other than the one whose name is borne by that particular auto, without first disclosing to purchasers" that fact in writing. The order will require General Motors to have each purchaser sign a statement acknowledging that he had been warned, the justice said.

Burger King opens in new wrapper

By PAUL PINTARICH of The Oregonian staff
 It's not "Mom's Cafe" and it isn't "Ultima Schlock," either; it's simply Burger King in a new wrapper but with the same old filling.

Portland's newest Burger King opened Dec. 1 at the corner of N.W. Broadway and Burnside Street. It wasn't just plopped there overnight, nor is it another fabrication of "cookie-cutter" architecture.

The brick and tile-roofed building is the culmination of two years of design review, architectural design and, according to Portland-area franchiser Joseph Angel, an extra cost of \$100,000 over the standard Burger King model, which he operates at seven other metropolitan locations.

After leasing the half block from the E. Henry Wemme Endowment Fund, Angel submitted plans for a building permit in 1975, but was stalled by the Portland Design Review Committee, which asked that the restaurant be more compatible with the downtown core.

"We were concerned and wanted the location," Angel said, "so we asked Portland architect Ted Chillless to do the design."

Chillless said he enjoyed the job, describing it as a challenge, and said he had done similar work at two Portland Safeway stores.

"We were shooting for a human scale and to remove the plastic as much as possible," Chillless explained.

The building has outdoor benches and tables and a drive-up window. Inside are skylights and photographs of the site from the Oregon Historical Society. Angel plans to expand soon to an adjacent business site having extra parking and a place for outdoor entertainment in better weather.

At two other Burger Kings, in Beaverton and Oak Grove, Angel, 34, and his wife did their own landscape designing, saving fruit trees and large oaks. In Oak Grove, they won second place in a statewide landscaping contest.

Chillless admitted taking some flak from the architectural community for working with the fast-food chain, but said "it's a real opportunity for change; someone has to start."

Michael Parker, Portland landscape architect and member of the review committee, said it was a matter of working together with a competent architect.

Parker was critical of a McDonald's restaurant on W. 18th Avenue and Burnside Street, which followed the standard McDonald's pattern. But he was more tolerant of Herfy's restaurant at the same intersection, designed to be compatible with an adjoining Shell service station.

The McDonald's and Herfy's are outside the downtown core, however, and subject to less-rigid design review.

Rod O'Hiser, coordinator of the city's Downtown Plan, credited Angel with "bending over backwards three times to come up with a design we could live with," saying it worked well when developers came in early with their designs.

O'Hiser doubts there will be similar operations in the core area but mentioned that if there are, they would face the same requirements.

Angel, a business graduate of the University of Kansas, moved to Portland in 1971, having worked for Burger King, the country's second-largest hamburger chain, since 1968.

He says he has a concern for aesthetics and likes Portland hamburger eaters, who he described as "discriminating."

Angel said none of his stores had "taken off in great big spurts," but eventually, because the burgers were good, they came around.

"Most franchisers are cautious and afraid to lose their identity by going too far away from the basic design," he said. "But we felt that, locating in a downtown setting, we could take the chance of having someone walk down the street and recognize who we are."

Sunday Oregonian BUSINESS



DOWNTOWN DRESS — Strict standards of design for the Portland core area resulted in a more elaborate and costlier building for a new downtown Burger King fast food restaurant. Franchiser Joseph Angel stands in front of the structure with his manager, Nancy Franklin.

Wendy's chairman sets high goal

By DONALD J. SORENSEN of The Oregonian staff
 R. David Thomas doesn't want to conquer the world, he just wants to serve it hamburgers.

"We want all the hamburger business in the world," he said without the trace of a smile.

Thomas is board chairman of Wendy's International Inc., the restaurant chain. He may not get all the hamburger business, but he is moving in the right direction.

Since 1969, when he opened his first Wendy's hamburger outlet in a bankrupt night spot in Columbus, Ohio, the chain has grown to 881 outlets in 46 states and Canada and, according to Thomas, will move into Japan next year.

Wendy's is a relative newcomer to Oregon, but the name is becoming more familiar. The first outlet was opened in Eugene in 1976. Now there are three in Portland and Eugene, one each in Gresham, Medford, Salem and Vancouver, Wash. New ones are ready to open in Klamath Falls, Salem and Hazel Dell, Wash.

All of this activity brought Thomas to Portland last week to look over the progress, meet new employees and point out that 450 employees work for Wendy's in the metropolitan Portland area with a payroll of \$1 million.

Thomas is a husky man who looks like a former pro football lineman and is obviously well-fed. He has been in the restaurant business 32 years, much of that time as a short-order cook.

Wendy's is not the usual fast-food operation, Thomas insisted in an interview. Indeed, he bristles at the very mention of fast-food. "I resent calling us a fast-food business," he said. "We are in the quality food business with fast service. We don't serve breadburgers; we have quality hamburgers."

Thomas is content to keep Wendy's limited menu of hamburgers with assorted condiments ("We fix hamburgers 256 different ways depending on the condiments we use," he said), french fries, chili, soft drinks and a Frosty dessert.

"We don't plan on any changes," he said. "This is working well for us."

He also noted that Wendy's "sells more chili than any other food chain." It amounts to between 14 and 15 million bowls a year, or about 4 percent of total sales.

"The chili just complements our hamburger menu," he said. "Hamburgers are our main food. We want to highlight our hamburgers." It does so by serving quarter-pound patties of fresh meat, a "Cadillac hamburger," he said.

The name Wendy's, incidentally,

comes from Thomas' second youngest daughter (he has four) who was 8 years old when the business was launched. "We wanted to create an image," he said in explaining the use of his daughter's name and picture in corporate logos.

Wendy's has grown from "zero net worth in 1969 to nearly \$60 million today," Thomas said, "and all of our franchisees are doing good business." The company owns 190 stores and the others are franchised.

The company has a simple formula with its franchisees, charging a \$10,000 franchise fee and receiving 4 percent of the royalties. It helps with training and chips in to provide some of the advertising costs. The franchisee is responsible for leasing locations and cost of operations.

This policy resulted in net income of nearly \$6.8 million in 1976, up 131 percent from the previous year and total restaurant sales of \$187.7 million, more than double the year before.

Thomas said he used to be a "chicken man" when he had several Kentucky Fried Chicken franchises around Columbus. After making these a success, he sold them to the parent company for \$2 million.

"Then I got into hamburgers where I belong," he said. "I've always been a hamburger man."

Port calendar

VESSELS DUE

SUNDAY, DEC. 11
 Seiun Maru, from Japan via British Columbia at Terminal 6
 Camerona, from Japan at Terminal 4
 Sunrise Ocean, from Japan at Weverhueser Log
 Hawaiian Citizen, from Hawaiian Islands via Puget Sound at Terminal 4

MONDAY, DEC. 12
 Chevron Louisiana, from Puget Sound at Standard Oil
 Lotus, from Japan at Astoria
 Graceous, from Puget Sound at Terminal 4

TO DEPART

SUNDAY, DEC. 11
 Wild Carromant, from Northern Europe via Puget Sound at Terminal 2
 Saifit Arabian Sea, from San Diego at Time Oil
 Lloyd Altamira, from Brazil via California at Vancouver 2

TO DEPART

SUNDAY, DEC. 11
 Californian, for Seattle from Terminal 4
 Ocean Brave, for Port Angeles from Longview Reynolds
 Terena, for Japan from Continental Grain
 Da Verrazano, for Mediterranean via Puget Sound from Longview 2

MONDAY, DEC. 12
 Beishu Maru, for Japan from Terminal 6
 Golden New Jersey, for California from Time Oil
 Golden Prince, for Japan from Astoria 2, 11 a.m.
 Kazuki Maru, for Japan from United Grain
 World Wood, for Japan from Weverhueser

VESSELS IN PORT

GRAIN VESSELS
 California Rainbow, Cook Grain
 Camarona, Terminal 4 Grain
 Kazuki Maru, United Grain
 Ocean Ace, Longview Anchor
 Onoussian Superiority, LDC Grain
 Terena, Continental Grain
 Zephyros II, Astoria Anchor

OTHER VESSELS
 Asia Honey, Terminal 4
 Asian Assurance, Weverhueser Log
 Chevron Arizona, Swan Island
 Golden Prince, Astoria 2
 Nyhavn, Longview Anchor
 Ocean Brave, Reynolds Longview
 Pacific Carrier, Swan Island
 Santa Maria, Swast Island
 Triumph, Terminal 4
 World Wood, Weverhueser Chip

ARRIVED SATURDAY
 California Rainbow, from California at Cook Grain, 2:40 a.m.
 Golden Prince, from Japan at Astoria 2, 1 p.m.
 Asia Honey, from Japan at Terminal 4, 11 a.m.
 Pacific Carrier, from Mediterranean via Puget Sound at Swan Island, 11:45 a.m.

DEPARTED SATURDAY
 Oriental Sovereign, for Japan from Weverhueser, 6:40 a.m.
 Toyota No. 23, for Japan from Terminal 4, 2:50 p.m.
 Unihosaka, for Australia via British Columbia from Terminal 4, 7:10 a.m.
 Futaki Maru, for Long Beach from Terminal 4, 8:30 p.m.
 Packing, for Japan from Weverhueser Log, 5:30 p.m.

DEPARTED — Ryutin Maru, 12:15 a.m., for San Francisco; Halifax Star, 12:30 a.m., for Northern Europe via San Francisco; Hoshu Maru, 2:20 a.m., for Northern Europe; Oriental Sovereign, 10:05 a.m., for Japan; Tovola No. 23, 8:45 a.m., for Japan; for Long Beach; Packing, 9:30 p.m., for Japan.

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Chrysler offers front-wheel-drive subcompact

By DAN JEDLICKA of The Oregonian staff
 Who would have guessed that Chrysler Corp., which is considerably smaller and less affluent than General Motors or Ford, would produce America's first U.S.-built, front-wheel-drive subcompact autos?

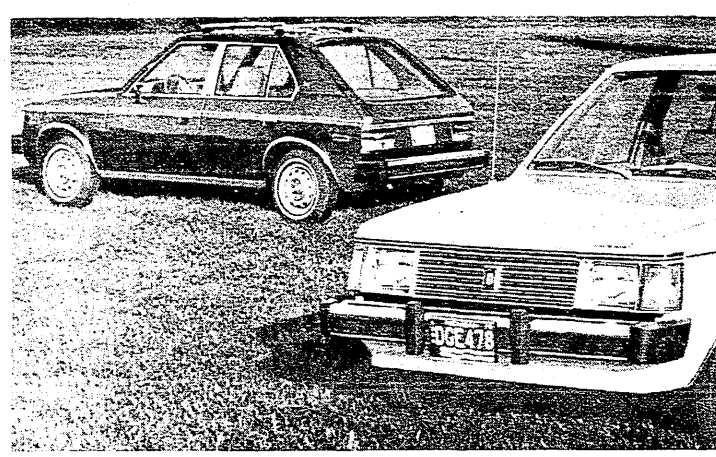
The cars are the Dodge Omni and near-identical Plymouth Horizon. (They just have different grills and tail lights.) Only offered as four-door hatchbacks, they even feature an all-independent suspension system — a feature that, among U.S. mass-produced cars, is found only on the Chevrolet Corvette.

The Omni and Horizon, which recently were unveiled to the press and go on sale Jan. 16, have a base price of \$3,706 — less than that of the imported, two-door Ford Fiesta, Honda Accord and four-door Volkswagen Rabbit.

Chrysler plans to build some 200,000 Omnis and Horizons in 1978, and it claims they will be the best quality cars to roll off a U.S. assembly line. It spent \$40 million to convert its plant at Belvidere, Ill., to make the autos. For perspective, American Motors Corp. built approximately 200,000 autos in the 1977 model year.

Chrysler predicts that most Omni-Horizon buyers will be American-car buyers. It does not consider the auto an "import-fighter."

The Omni-Horizon is very spacious inside, able to accommodate four 6-foot-tall plus adults. Thanks partly to the space-saving front-wheel-drive design, its passenger compartment, as



NEW ENTRY FOR DODGE — New Dodge Omni, slated to go on sale in January, will be first subcompact made in United States to have front-wheel drive. It will be offered only as four-door hatchback. Chrysler Corp. plans to build 200,000 Omnis and near-identical Plymouth Horizons in coming year.

measured by the Environmental Protection Agency, has an interior volume index of a compact auto. Rear-seat hip room is nearly two inches more than found in a Cadillac Seville.

Chrysler's objective was to design a car with outstanding roominess for its size, good handling characteristics for city and highway travel and a car that could be put to a wide variety of uses while offering the comfort to which U.S. motorists have become accustomed. Chrysler found that many people felt small cars lacked roadability

and provided too-limited use. Instability at highway speeds, lack of roominess and comfort and difficulty in getting in and out of small cars were cited as important problems.

"We've licked these problems," said Robert B. McCurry, Chrysler's group vice president-U.S. automotive sales. A long talk with Donald Gschwind, the Omni-Horizon's chassis engineering director, revealed that considerable work went into the car's suspension and steering system to develop an auto that provides a smooth ride even over very

rough surfaces and sports car-style handling, with little lean during cornering and ultra-responsive rack-and-pinion steering.

Despite the U.S. character of the auto, which has undergone more than six million test miles, it is powered by a four-cylinder, overhead-camshaft Volkswagen Rabbit engine built to Chrysler specifications with Chrysler engine accessories. The standard four-speed manual transmission also comes from VW. (A Chrysler automatic will be offered shortly after public introduction.)

Chrysler said the 75-horsepower engine propels the 2,137-pound car, built on a 99-inch wheelbase, to 60 mph with the manual in about 14 seconds. The automatic will cut this time to "between 14-16 seconds," Chrysler noted. With the manual, the Omni-Horizon gets 25 miles per gallon in city driving and 39 on the highway for a combined EPA-rated figure of 30 miles per gallon.

Chrysler is especially proud of the Omni-Horizon's highway stability and attributes it to the front-wheel drive, suspension, the car's wide track and its boxy but slick, aerodynamic body. "It is just as much at home on the interstates as it is on city streets," Gschwind remarked.

"This is not a shrunken version of an American car," McCurry emphasized.

Gschwind said, "Some people think the car looks like a VW Rabbit, but there's only so much one car do when building a small car with lots of interior room."

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