

Appears U. S. Headed for a Recession Next Year

The United States appears headed for a recession and even more inflation in 1974 as a result of the energy shortage, a survey of Duke University economists shows.

Thirteen of Duke's 21 economists, responding to a questionnaire last week, said they a "significant" possibility exists for a serious economic downturn next year.

Only two economists participating in the survey said they see no insurmountable problems ahead in 1974.

The grim picture that emerged from the survey contained forecasts of unemployment up to 12 percent, but most of the economists pegged expected joblessness at the 6 to 8 percent level. It is currently 4.7 percent.

Two of the economists based their predictions on continuance of Arab oil boycott, which Nixon Administration officials have said may be costing the U.S. more than 3 million barrels of crude a day. Total domestic consumption before the boycott was slightly more than 17 million barrels a day.

Many of the economists who see a business downturn

coming because of the spreading energy shortage said: textile, plastics, transportation, recreation and aircraft industries will be particularly hard hit. Some also included agriculture.

All those industries are extremely dependent on a constant supply of oil and refined petrochemical products.

One economist, Dr. Thomas Havrilesky, summed up the outlook for the recreation industry this way: "Dire."

Most of the others noted that the skiing industry and other outdoor sports will suffer both short and perhaps long-term effects as Americans react to sharply higher gasoline prices and maybe even rationing by spring.

Almost all of the economists said the Administration should begin gasoline rationing, but with a "white market" that would allow motorists to sell their unneeded coupons to others.

There was almost total support for higher energy prices-up to 25 percent above current levels-as a means of stimulating oil and natural gas production.

Support was also high for

turning the nation around to a "low-energy life-style" from now on, ending the post-World War II trend of ever-increasing consumption that finally led to a critical dependence on foreign oil imports.

"It would benefit both the environment and the physical condition of the population in general," said Dr. Lloyd Saville.

Another economist said he hopes the oil shortage will induce U.S. auto makers to stop building cars with high fuel consumption.

There was some feeling that inflation caused by the energy shortage will depend largely on how the Federal Reserve System, which controls the nation's money supply, reacts to the prospect of reduced economic growth.

If the "Fed" tightens money and credit, said Dr. Martin Bronfenbrenner, "the result would be non-inflationary, but the chances of a short-term recession would be increased."

If the government reacts by loosening money and credit, as Bronfenbrenner, said he expects it to, "the recession will be postponed or reduced in intensity, but the rate of inflation will be accelerated."

Saville noted that some industries, particularly those engaged in road building, could be kept busy building sidewalks, bicycle paths and sound barriers along existing highways.

Environmental gains during the last few years shouldn't be abandoned "in general," Saville said, but "relaxed only in limited problem areas while they are concurrently extended elsewhere."

This could be done, he explained, by selective use of high-sulphur fuels while extending the enforcement of excessive noise standards in the cities.

Five Students At UNC Receive Film Grant

CHAPEL HILL--The Academy of Motion Picture Arts and Sciences has presented a \$2,500 grant for five student film scholarships to the Radio, Television and Motion Pictures Department at the University of North Carolina at Chapel Hill.

This marks the second year the UNC RTVMP Department has received \$2,500 from the Academy which also presents the Oscars to members of the film industry at the annual Academy Awards ceremony.

Students at UNC at Chapel Hill, North Carolina Central University in Durham and Shaw University in Raleigh are eligible to receive the scholarships presented by the Academy "to encourage artistic and scientific achievement in film arts."

Dr. Wesley Wallace, chairman of the UNC RTVMP



BLACK STARS PREMIER (HOUSTON) In a recent effort to raise funds for Houston's black charities, national famed black comedians such as Richard Pryor (left) and Dick Gregory (right) took time out of a busy schedule to put on a show in Jones Hall. Pictured in the center is Larry Gardner of Gulf Oil Company - U.S., Public Relations Department, who along with KYOK Radio Station coordinated the affair.

Department, said, "There is no question that the scholarships provided by the Academy have stimulated interest in film well beyond the reach of the scholarship money."

Two film festivals were held on the UNC campus last year, one sponsored by RTVMP Department and one by students. And in a campus-wide film festival sponsored by a UNC fraternity, Wallace said more and better films were entered.

"Much of this excitement about film is attributed to student knowledge that the Academy has selected this campus as one of the institutions to spur film study and production," he noted.

Film proposal applications are available through professors Earl Wynn in 205-A Swain Hall and Calvin Pryluck in 210-A Swain. Selection will be based on quality of the proposal idea and evidence of ability to carry out the project, according to Wallace.



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