

# The Daily Tar Heel

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## IN THE NEWS

Top stories from the state, nation and world

### Bosnian Talks Crumble Prior to Final Agreement

GENEVA — Bosnian peace talks broke off abruptly Wednesday just as it seemed the warring factions were on the verge of a final accord on how to carve up the country.

Bosnian President Alija Izetbegovic said the peace plan on the table failed to guarantee the survival of a future Muslim state.

Other leaders accused Izetbegovic and his government of making unreasonable demands.

"Unfortunately the war will continue," Croatian President Franjo Tudjman said as he left the meeting.

"This will make it clear who is responsible for the failure of this conference and who is to be held responsible for the continued suffering of the people and for jeopardizing peace in this area and in the Balkans," he said.

Both Izetbegovic and Tudjman said they were willing to return to the negotiating table. But Tudjman warned that a peaceful settlement would now take "weeks if not months."

### Arabs, Israelis Negotiate Accord Recognizing PLO

JERUSALEM — As a historic agreement on Palestinian self-rule was nearly ready to be inked, Arab and Israeli negotiators closed in on another milestone Wednesday: Israeli recognition of the Palestine Liberation Organization.

The back-channel talks that brought about the self-rule accord are now mainly focusing on Israeli recognition of its implacable foe, the PLO, said a source close to the negotiations.

The source, speaking from Norway, added that there had been problems over phrasing of a pact on Palestinian self-rule in some Israeli-occupied areas. The source did not elaborate.

The secret talks that led to the autonomy accord were held in Norway, although the site of the current back-channel negotiations is not known. Washington is the formal, public venue for the negotiations. Israeli Foreign Minister Shimon Peres stressed that there was no direct link between the autonomy agreement and establishing ties with the PLO.

### Yeltsin Ousts Comrades During Battle for Control

MOSCOW — President Boris Yeltsin suspended a top reformist ally and his rebellious vice president Wednesday in a risky political move designed to settle a crippling power struggle.

Yeltsin temporarily suspended Vladimir Shumeiko, his first deputy prime minister and Vice President Alexander Rutskoi on grounds that allegations of corruption against both of them were damaging the government.

Yeltsin appeared willing to sacrifice Shumeiko to damage Rutskoi and hard-line lawmakers whose opposition had paralyzed his reform efforts.

But the step could backfire by stirring sympathy for Rutskoi, already tied with Yeltsin in national popularity polls. It also will inflame Yeltsin's feud with parliament speaker Ruslan Khasbulatov, who immediately branded the suspension unconstitutional and invalid.

Shumeiko's spokesman, Grigory Bukhvalov, said the deputy prime minister had asked to be relieved of his duties while fighting the corruption charges.

### Report: Aides Protected Reagan in Contra Scandal

WASHINGTON — Two aides to Vice President Bush engaged in "acts of concealment" to shield the Reagan White House from being linked to a secret Contra aid network after one of its planes was shot down in 1986, Iran-Contra prosecutors conclude in their final report.

Excerpts obtained by The Associated Press from the unreleased report said "there was strong evidence that following the shoot-down" of the plane Bush's national security aides Donald Gregg and Samuel Watson "were aware of (Oliver) North's connection to the resupply operation."

Both Bush aides "remained silent as administration representatives stated that there was no U.S. involvement in the flight," said the report by Iran-Contra prosecutor Lawrence Walsh.

THE ASSOCIATED PRESS

## Weather

TODAY: Partly cloudy, 20-percent chance of thunderstorms; high 90-95

FRIDAY: 30-percent chance of thunderstorms; high low 90s

# Hardin OK'd Contract While on Mutual Board

BY THANASSIS CAMBANIS  
UNIVERSITY EDITOR

Chancellor Paul Hardin approved a UNC dental insurance contract with Mutual Benefit Life Insurance Co. while still a member of the faltering company's board of directors.

But former N.C. Attorney General Lacy Thornburg reviewed the case in February 1991 and ruled that there was no legal conflict of interest in the decision.

"There can be an appearance of conflict in any number of situations, but if you are legally in the right you assume that will be understood and accept it," Hardin said in an interview Wednesday night.

Hardin served on the board of directors of Mutual Benefit in New Jersey from 1986 until late 1991, when the company was taken over by the state's insurance commissioner.

The N.J. Attorney General's Office filed a suit this summer against 45 former offic-

ers and directors, including Hardin, for mismanagement and negligence. The suit came after a two-year investigation.

Hardin declined to discuss the suit. "It's still in litigation up there," he said.

In February 1991, the University Insurance Committee, whose members are appointed by the chancellor, selected Mutual Benefit to hold the University's dental insurance plan for employees.

The insurance plan went into effect June 1 of that year.

Before the University adopted the new plan, the University legal counsel wrote a letter to the state attorney general asking



PAUL HARDIN denies conflict of interest in insurance selection.

whether Hardin's position on Mutual Benefit's board of directors presented a legal conflict.

Thornburg, in a response dated March 1, 1991, said he saw no legal conflict-of-interest problems that prevented the University from selecting Mutual Benefit.

"However, it is clear that this poses the possibility of the appearance of a conflict of interest," Thornburg said in the response.

The attorney general suggested two options for eliminating the appearance of conflict.

"A way ... is for the chancellor to resign his board membership," Thornburg said. The other possible solution was for the insurance committee to consider choosing a different company, he said.

Hardin said he didn't know the University insurance committee was considering Mutual Benefit until after it had selected the plan. "Then I had to decide whether to stop it or not," he said.

The chancellor said he was confident

the committee had chosen the best insurance plan with no knowledge of his tie to Mutual Benefit. "I did not seriously consider resigning from the company because I felt I had an obligation to it," he said.

Less than two months after the new dental insurance plan went into effect for UNC employees, Mutual Benefit was put into rehabilitation by the state of New Jersey.

"The company was solvent, and we invited the insurance commissioner to come in," Hardin said.

The portion of Mutual Benefit that administered dental insurance was purchased by a holding company, now called Fortis Benefits Inc. Fortis still holds the UNC dental policy.

The committee that selected the Mutual Benefit plan functioned independently of Hardin, said its chairman, John Billing.

"We made the selection with no knowledge that he was on the board," Billing said. "We didn't see any conflict of inter-

est. We asked him if he felt uncomfortable about it, and he made no statement positive or negative about it."

Of all the bids for the insurance plan, Billing said Mutual Benefit's was by far the best. "We didn't feel compelled to renege on the contract we had signed," he said. "It was a carefully done process."

UNC-system President C.D. Spangler said he felt the chancellor had engaged in no wrongdoing.

"This is an unfortunate thing, but there will be no repercussions and Chancellor Hardin will emerge without any adverse effects."

In a statement issued Tuesday, the chancellor said that his involvement in the lawsuit against Mutual Benefit would not interfere with his duties at the University. "To keep my energies focused on my duties in Chapel Hill, I have left my defense to my lawyers in New Jersey."

The state of New Jersey is seeking unspecified damages in the case.

## Day Dreaming



Chris Smith, a senior English major, manages to grab some shut-eye Wednesday afternoon on Polk Place. Despite the overpowering heat, Smith found some shade on the main quad for his nap.

# Residents Take Stock As Emily Heads North

BY ADAM BIANCHI  
STAFF WRITER

BUXTON — Residents and state authorities returned to survey the damage to the N.C. coast Wednesday after Hurricane Emily grazed the eastern seaboard Tuesday night.

The storm was sidetracked by upper atmosphere air currents and its eye missed Cape Hatteras by 20 miles. It spread heavy rain along the Virginia coast before moving out to sea.

By midday Thursday, Emily was expected to be about 240 miles south of Nova Scotia, and by midday Friday it should be about 350 miles south of Newfoundland, said Hugh Cobb, a meteorologist at the National Hurricane Center.

Gov. Jim Hunt made a helicopter tour of the Outer Banks Wednesday morning and arrived on Hatteras Island before residents or the media.

With rubble for a backdrop, Hunt addressed six reporters and several sheriff's deputies from the remains of the Red Drum bait and tackle shop, which was destroyed by Emily's 98-mph winds. "We need volunteers with chainsaws to do some serious work to help these people," he said.

Hunt said the N.C. coastal community still would need help, in spite of the near-miss. "I don't consider this 'lucky,' because we have had real damage," he said. "Our first goal is to rebuild the homes and businesses around here."

Hunt said he would consider seeking a federal disaster declaration for the area.

Billy Ray Williams of the N.C. Emergency Rebuilding Service toured the coast with Hunt and briefly outlined preliminary plans for rebuilding. "We're going to help people pick up the pieces with emergency funds and small business loans," he said.

Matthew Smith of Hatteras Pine, age 10, said the storm was at its worst between 5 and 6 p.m. Tuesday evening.

"I was helping my dad board up the screen doors," Smith said. "I didn't know whether to be scared or annoyed. Most of the pine trees got ripped up. Our house used to be shady, and now the yard is clear."

Richard Clark, a roaming repairman from Charlotte, said he had gone to the coast Wednesday morning both to help people and to make money.

Clark said he also had gone to the coast after Hurricane Hugo, and had been successful. But Clark said he did not think he would do as well this time due to the lack of major damage.

N.C. Highway Patrolman E.B. Johnson said access to the Outer Banks had been "restricted" due to a fallen power line pile-on early Wednesday morning, but the way was cleared by midday, allowing residents and officials to begin cleanup efforts.

Buxton, a small coastal town on Cape Hatteras, was hardest-hit by the storm.

Jacqueline Goldman, owner of the Surf Motel in Buxton, and her son Jeff said flood waters had damaged their property.

"Water rose about five feet in 20 minutes, and it was up to my chest in the house," Jeff Goldman said. "We didn't know what to do, so we just walked around trying to save what we could. Once the waters got up so high, they stayed that way two hours. That's what did a lot of the damage."

Jacqueline Goldman said the damage could be crippling for business.

"Labor Day is gone, and the Eastern Surfing Association Championship is gone," she said. "We have big problems. Everything on the first floor is destroyed. There are boats upside down everywhere."

Goldman also said damage on the coast had been treated more lightly than it should have been. "If you listen to the National Weather Service, you'd think nothing happened," she said. "But they need to come down here and look at it."

Elaine Cator, a Buxton resident, said although every tree in her yard had fallen on her house, it still was standing. "We had some holes in the house, but nobody got hurt," she said. "Buxton is the highest point on the island. It never floods here, but the surge from the south caught us."

Bonnie Farkas, Cator's neighbor, owns a mobile home on a Buxton hilltop. Several of her neighbors spent the night there to ride out the storm, she said.

"The storm hit about 2:30 p.m., and it stayed bad until about 5:30 (p.m.). We got hit twice — there are five trees (which have fallen) on the house from the wind — and then when the surge came, just about everything inside was soaked," she said. "The water came up from the (Pamlico) Sound, just like a river."

Farkas, who said she had no flood insurance, said she had been lucky because she had only two inches of water inside her house. Other residents had as much as four to five feet of water inside their homes, she said.

Janet Gaskins, a homeowner in Buxton and a neighbor to Farkas and Cator, said she had not evacuated with most residents because she had not anticipated very dangerous weather.

"I had no reason to leave," she said. "We've come through many storms before. I've always said 'when the tide comes up on my porch, it will be bad.' And that's what happened last night for the first time ever."

The Associated Press contributed to this story.

# Campus Crime Rates Buck Local Trend

BY JAMES LEWIS  
ASSISTANT UNIVERSITY EDITOR

Despite an increase in crime in the town of Chapel Hill, fewer assaults and burglaries were reported to University Police, according to a new report.

The 1993 Security Report, which was released last month by the University, revealed that the number of assaults on campus dropped from 51 in 1991 to 34 in 1992, a 33-percent decrease.

Lt. Angela Carson, spokesperson for University Police, said several factors contributed to the decrease in reported assaults and burglaries.

"One thing that could account for it are that some go unreported," she said.

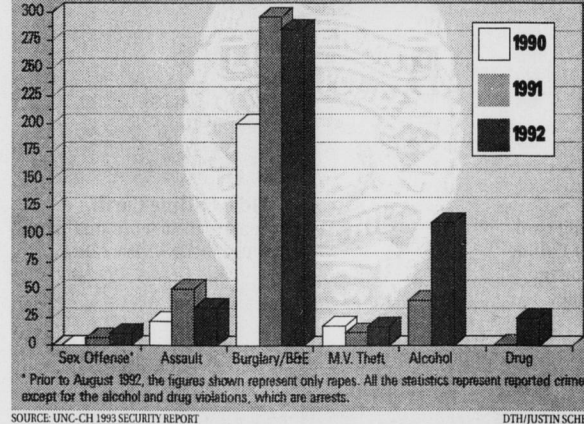
Carson said that often in domestic assault cases, alleged offenders are not actually charged.

"Some are fights between girlfriend-boyfriend and they are not necessarily interested in having the person arrested but just removed from the premises," she said. "Some of it is even altercations between roommates where they just want someone removed."

According to the annual report, which is mandated by the federal 1990 Student Right to Know and Campus Security Acts,

## UNC Assault, Burglary Reports Decline in 1992

Arrests and reported crimes recorded by the University Police over the past three years.



\* Prior to August 1992, the figures shown represent only rapes. All the statistics represent reported crimes, except for the alcohol and drug violations, which are arrests.

SOURCE: UNC-CH 1993 SECURITY REPORT

DTH/JUSTIN SCHEFF

seven sex offenses were reported in 1991 and 11 in 1992. However, five of the seven offenses that occurred in 1991 were also reported only to the Office of the Dean of Students and never officially reported to

University Police. Last year, nine of the 11 offenses, which include rape, were also reported exclusively to the Dean of Stu-

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# Director: Communication Department Could Move Into Top Five

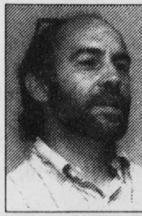
BY STEVE ROBBLEE  
ASSISTANT UNIVERSITY EDITOR

The merger between the Department of Radio, Television and Motion Pictures and the Department of Speech Communication could push the University to the forefront of communication studies, said William Balthrop, chairman of the new Department of Communication Studies.

"The head of the Speech Communication Association — which is the largest association (of its kind) in the country — and the Dean of the School (of Communication) at Northwestern said that ... within two years, UNC will be one of the top five

communication studies programs in the country," Balthrop said.

Balthrop said he was excited about the possibilities for the new department. But when other communication professors around the country heard about the merging of the two departments at a national conference, they seemed threat-



WILLIAM BALTHROP says production courses will continue.

ened by the merger, he said.

"The reason why they had glum looks, we found out later, was not because they were unhappy about our being merged. It was that, what was it going to mean for their communication studies program?"

About 30 students and alumni from the former departments listened to Balthrop's explanation of the new department and then had a chance to ask questions.

Martin Clark, a 1987 graduate of the RTVMP department, said he was relieved that many of the courses from the former RTVMP department still would be offered and that equipment would be upgraded.

"It sounds like things are turning

around," Clark said, referring to funding problems that plagued the former RTVMP department. "I'm very pleased with that, and many of my former classmates will be as well."

Before the two departments were merged Aug. 1, many former RTVMP students feared that production courses would no longer be offered if the department merged with speech communication.

Balthrop, who chaired the speech communication department before the merger, said the new department was committed to teaching production courses.

"One thing that I'd like to make extremely clear is, that commitment was ex-

pressed in a report that Dean (of the College of Arts and Sciences Stephen) Birdsall sent to the chancellor which absolutely and, in my point of view, irrevocably committed this department to maintain a strong production component within it," he said.

Though partly funded through higher course fees, the new department has been allotted \$38,500 for production equipment and maintenance as compared to the \$13,000 the RTVMP department received in its last year of existence, Balthrop said.

The communication studies department will work more with newer, high-tech digital equipment than the RTVMP department had in the past, he said.

So little done, so much to do.

Cecil John Rhodes