Area stores' price ceilings meet president's inflation guidelines

By DAVID TEAGUE Staff Writer

Several supermarkets and drugstores in Chapel Hill are joining the fight against inflation by complying with President Jimmy Carter's plea to place a price ceiling on hundreds of commonly purchased food and drug

Spokesmen for Harris-Teeter Supermarkets Inc., A&P Supermarkets, Eckerd Drugs and Kerr Drugs said this week their stores have agreed to comply with the voluntary guidelines set by Carter. The president has requested supermarkets to place a freeze on products for the next 30 to 150 days and drug stores to freeze prices for 60 to 90 days.

The spokesman said all house and generic products will be frozen at least until April 5, with the possibility of

an extention on the ceiling. Eckerd Drugs issued a statement that all products and prescriptions will be frozen and Kerr Drugs has placed a

price freeze on all prescriptions. Carter issued the freeze request for several reasons, Esther Peterson, the president's special assistant for consumer affairs said Tuesday.

"He (Carter) wanted to provide the consumer with an opportunity to shop for nutritionally sound foods, as well as an opportunity to fill necessary prescriptions, without having to worry about a price increase for a specific period of time," she said.

retailer's costs increase, but they allow for a price decrease if producer prices drop.

Peterson said Carter ruled out mandatory wage and price controls because the president said they are ineffective in dealing with the causes of inflation, disrupt the economy and require a massive bureaucracy to administer.

"The voluntary effort calls upon a major sector of the business community to impose its own price ceilings in a way that will benefit the consumer without causing the economic distortions brought on by a mandatory freeze," Peterson said.

Although most food and drug chains have followed Carter's request, there is some opposition to the price

"Carter fails to realize that the grocery chains do not pack their house products," said Tom Smith, executive vice president of Food Town, which operates a store in

"The stores can only hold them as long as the manufacturers do, and if they go up, we go up, Food Town has been complying with price freezes since the Nixon administration, and our prices will remain the same unless our manufacturer goes up."

A spokesman for Revco Drugs, which operates three stores in Chapel Hill, said their price increases depend on the manufacturers and their product prices would remain the same unless manufacturer prices went up. Twenty-four of the 50 food chains across the country



Local Harris Teeter joins fight ... grocers ease inflation's bite

announced some form of price freeze. Midge Shubow, press secretary for the Office of Consumer Affairs said this week. Of the drugstore chains contacted, eight have announced price ceilings.

We're pleased with the response to the ceiling so far." Shubow said. "We expect to have even more response in

guidelines mean prices will not rise even if the that have been contacted by the White House the next few days." Iranians rally for militants again

The Associated Press

Tens of thousands of Iranians chanting "The shah must come back!" rallied Tuesday at the U.S. Embassy in Tehran in a show of support for the militants inside. The Moslem clergymen leading them threatened to put the embassy hostages on trial if the exiled monarch is not returned to Iran.

It was the second straight day that Iranian religious leaders warned of hostage trials, after weeks of near-silence on the subject. It apparently pointed to bitter frustration on the part of the Iranians because the shah, by going to Egypt, may have eluded their grasp for good.

Foreign Minister Sadegh Ghotbzadeh told reporters, however, that there are no plans to try the hostages and that such demands are made by "irresponsible people." But he did say an Iranian Parliament angered by the shah's move might now decide not to free the 50 American hostages as U.S. officials have hoped.

Ghotbzadeh said the crisis might be eased if the U.N. investigative commission on Iran released its findings about the alleged crimes of Shah Mohammad Reza Pahlavi during his three decades as Iran's ruler.

But U.N. Secretary-General Kurt Waldheim said after the fiveman commission ended its mission in Tehran earlier this month that the report "cannot be issued...until the hostage problem is solved."

The hostages have been held for 144 days.

The shah's new protector, Egyptian President Anwar Sadat, visited the ailing exile in a Cairo hospital Tuesday and said Pahlavi was running a high fever and would be undergoing X-ray tests preliminary to a planned operation for an enlarged spleen. A date for the operation has not been announced.

The shah and his wife, Farah Diba, arrived in Cairo Monday after a flight from Panama, where they had resided for three months and where lawyers for Iran were about to file documents requesting his extradition back to his homeland for alleged mass murder and corruption.

Sadat is highly unlikely to even accept an Iranian request for Pahlavi's extradition.

The Iranians denounced the shah's move to Egypt as the result of a "treacherous plot" among President Carter, the shah and Sadat. A crowd estimated by observers to number 30,000 to 50,000 spilled onto the streets around the occupied embassy Tuesday to protest the shah's transfer.

A resolution issued by Tehran's Moslem clergy in support of the embassy militants was read out and signed by many in the

It said a solution to the crisis over the hostages depends on the return of the shah and his "plundered wealth" to Iran. failing which "the Iranian nation will demand their trial in Islamic revolutionary courts," Tehran radio reported.

On Monday, Ayatollah Sadegh Khalkhali, a leading revolutionary and former chief judge of the Islamic courts, said hostages accused of being spies believed to number only a few—would be put on trial after the new Parliament convenes. The Parliament is expected to convene no earlier than mid-April.

A senior Carter administration official said Monday that hostage trials were "not very probable."

Revolutionary leader Ayatollah Ruhollah Khomeini says the new Parliament, or Majlis, must decide the hostages' fate.

Ghotbzadeh, meeting with reporters in Tehran, said the shah's surprise move to Egypt would make resolution of the U.S.-Iran crisis "extremely difficult" because it damaged the trust essential for negotiating a solution and may turn more members of the Majlis against releasing the hostages.

In Washington, the State Department acknowledged on Tuesday there is no end in sight to the crisis and said it is considering "available options" to obtain the hostages' release. It adid not describe the options.

The Soviet news agency Tass, meanwhile, issued a stern warning against what it called "the real danger" of a U.S. military invasion of Iran. a danger it said "is growing with each passing

report From page 1 colleges and universities. Titled the Council for Equal Opportunity in Higher Education, the new agency would assume

Labor Department and five other agencies enforcing 17 federal laws. In its final report, "A Program for Renewed Partnership," the Sloan Commission presented a number of other recommendations on state and federal student loans, research grants, and minimum standards and reviews of program quality for all colleges and

the work of investigators and auditors

from HEW, the Justice Department, the

universities. Friday said the recommendations make government funds available to all needy students, while encouraging a policy of self-help through student earnings.

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Kennedy on Tuesday night, but called the loss "only a dip in the road," and predicted victory for the president at the Democratic National Convention.

"Smile. Put a smile on your faces," Strauss told Carter supporters at a victory celebration at New York's Sheraton Centre Hotel. "When you lose, lose with class."

While White House aides were remaining silent on the setbacks Carter suffered in New York and Connecticut, Strauss extended to Kennedy and "those who worked so hard for him, not only my congratulations, but also those of the president. Mrs. Carter, the vice president and Mrs. Mondale, all of whom I have talked to tonight.'

Strauss noted that Carter had won 17 out of 19 previous faceoffs against Kennedy and drew applause when he said. "We lost a couple tonight including Connecticut. We'll win in Wisconsin, we'll win in Kansas and we'll win in Louisiana and you can bet on it."

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News In Brief

Mayor outlines issues at press conference

Chapel Hill Mayor Joe Nassif Tuesday said the town may not be able to buy Clearwater Lake from the YMCA because the town is facing a difficult fiscal

In his first press conference since taking office in January, Nassif said Chapel Hill probably will not be able to pay the YMCA's \$225,000 asking price for the recreational site south of Chapel Hill.

Nassif also said he has reviewed the designs for the planned student athletic center with University officials and has spoken to Chancellor Christopher Fordham III about the coliseum. The University is expected to apply for a special use permit from the town to build the \$21 million center in April.

Nassif also said he is considering changes in the town's public safety officers program which has been criticized since its beginning in 1975, especially by town firemen. The PSO program combines the duties of fire and police personnel with emergency medical training. Nassif said the town is likely to revise the firemen's shift schedule, a main source of criticism, in the upcoming budget process.

Consumer prices jump again...

WASHINGTON (AP)-Consumer prices in February jumped 1.4 percent for a second straight month, providing new signs that inflation was settling in at an 18 percent annual rate, government figures showed Tuesday.

As a result of the latest rise in the Consumer Price Index, the buying power of the average American wage earner fell by a record 7.3 percent during the previous 12 months, the government said in a separate report.

A top Carter administration inflation adviser called the new figures a very ominous trend, and said consumer prices will continue to rise at nearly the same rate for several months as recent hikes in interest rates and wholesale energy prices show up at the consumer level.

...Stock market continues to plunge

NEW YORK (AP)—The stock market has taken a \$150 billion drop in the past six weeks, ecoking painful memories on Wall Street of the bear markets and recession of the mid-1970s.

The oldest and best-known indicator of stock price trends, the Dow Jones industrial average, this week has fallen to its lowest level in nearly two years. From Feb. 13, when it stood at 903.84, the average has dropped more than 135 points, or about 15 percent.

Some of this slide has been blamed on disappointment with President Carter's anti-inflation plan announced 13 days ago. New complications in the Iranian crisis also apparently took their toll.

But most analysts in the financial world agree the main message in the concerning student aid were designed to market's slump has been a growing belief that the economy is headed for some tough times in the months ahead.

by-pass

From page 1

"I think the DOT is quite aware of the controversy surrounding the southern bypass," Smith said. "I think they would question the council's even asking that it be considered." But council member James Wallace said the

town should not withdraw the proposal after endorsing it just last year. Wallace was mayor when the southern by-pass proposal was passed and frequently has argued in favor of the by-pass route.

notoriously incapable of making up its mind." Wallace said.

Council members Bill Thorpe and Bev Kawalec joined Wallace in voting against striking the by-pass proposal. But the other council members disagreed.

Although council members Jonathan Howes and Marilyn Boulton said they were in favor of the concept of the southern by-pass, they said the by-pass should not be proposed to DOT

Boulton and Howes said the town should study the by-pass proposal in its thoroughfare plan, which is currently being drawn up, before it asks DOT to consider building the loop.

"To raise it (the by-pass proposal) now simply raises a contentious issue," he said. Smith said he objected to the origin of the by-pass proposal.

"I think the whole thing came out of or was a result of our pulling out of the (Interstate) 40 suit and then saying, 'I'll give you this," Smith

When the council made the by-pass request last year, it also pulled out of a joint lawsuit with Carrboro and Orange County against DOT to block construction of the 1-40 connector near Chapel Hill. The council withdrew from the suit partly in hopes of "The DOT finds Chapel Hill to be gaining approval of the southern by pass. The effect of 1-40 on Chapel Hill.

In other action, the council scheduled a public hearing for April 28 on two proposed schedules for bus pass price increases. The council decided not to set tentative prices but to wait until it receives some feedback from the

Under the current rates a 12-month pass costs \$48 and a nine-month pass costs \$40.

Town Manager Gene Shipman recommended that the town approve a rate schedule that would increase the price of a 12month pass to \$79 and a nine-month pass to \$65. The Transportation Board had endorsed lesser increases to \$67 for a 12-month pass and \$58 for a nine-month pass.

The council also voted to appoint UNC student Warren Collier to a vacant seat on the town Transportation Board.



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