

Cloudy Doody

Partly cloudy today with a 30 percent chance of late afternoon thunderstorms. High in the upper-80s.

The Daily Tar Heel

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New night spot

Pegasus — a new bar featuring live rock 'n' roll has opened its doors on Franklin Street. See story on page 4.

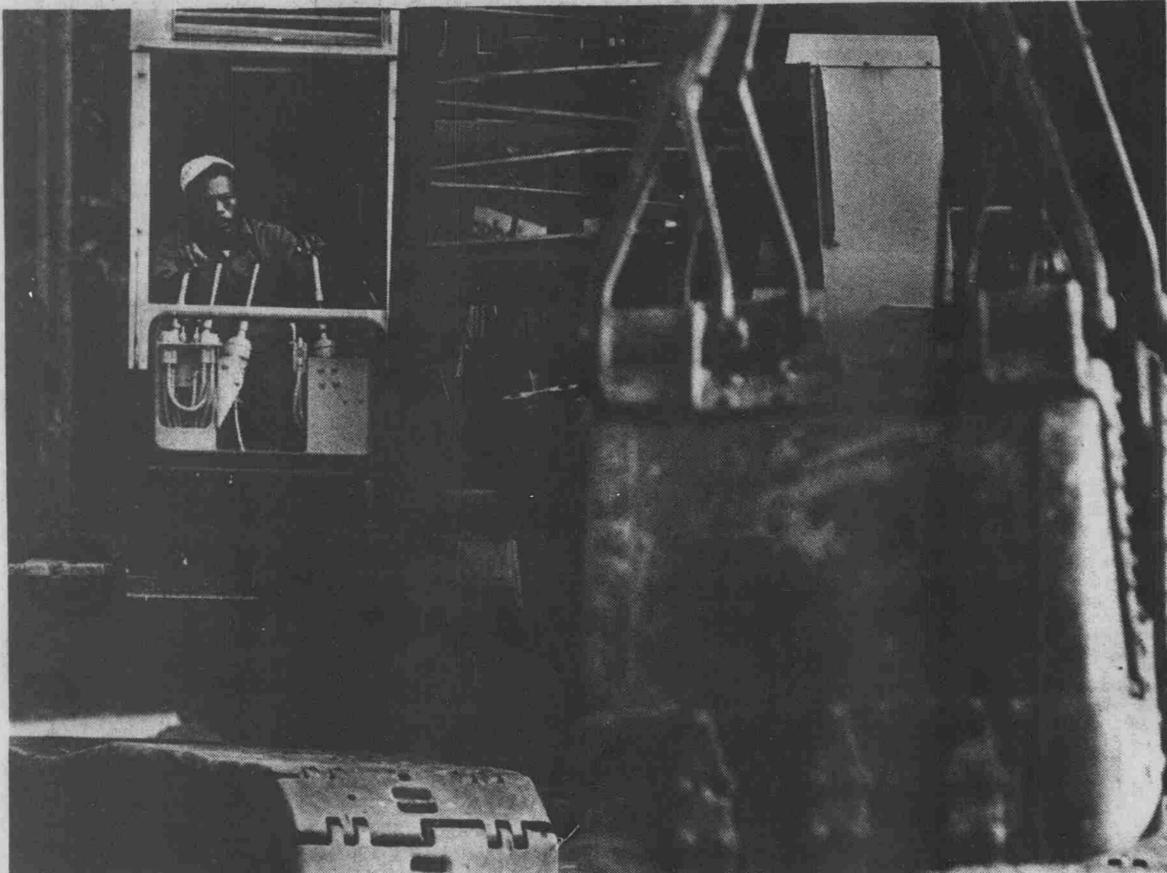
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Hard at work

Henry Brodie of Carolina Road Builders keeps a close eye on his crane as he helps with the construction of the bridge at Hillsborough Street and Bolinwood Drive.

DTH/Al Steele

Local police cracking down on alcohol laws

By BOB KIMPLETON
Staff Writer

"Are you going to be drinking anything stronger than Coca-Cola?" the police officer asked a browser at a public information booth in front of the Franklin Street Post Office last week.

UNC sophomore Carolyn Griffin responded in the affirmative.

Chapel Hill police officer Rick Butler proceeded to tell Griffin of the town's stringent alcohol consumption laws and of the police's recent crackdown on illegal drinking.

"We've been cracking down all summer, but the new students don't know that," the officer explained.

In July, 17 local restaurant and bar employees were charged with serving mixed drinks to an underage woman—a 19-year-old police trainee—who visited 19 drinking establishments. Only two did not serve her a mixed drink.

North Carolina's minimum drinking age is 21 for liquor (including mixed drinks), 18 for beer and unfortified wine.

All 17 persons charged in the undercover operation entered a deferred prosecution agreement under which they must solicit contributions for the town's Drive-A-Teen program.

The undercover operation was one of the latest efforts by Chapel Hill police to crack down on illegal drinking.

In August 1981, town Mayor Joseph L. Nassif met with local alcohol vendors in an effort to curb underage drinking. He said that the police would crack down and urged them to step up identification checks.

"In a college town, particularly in Chapel Hill, a relaxed attitude toward drinking tends to prevail. But the costs of drinking by minors, and overconsumption in general, are too high for us to ignore," Nassif wrote in a letter to local alcohol vendors.

With the blessings of the mayor and the town council, Chapel Hill police last fall began increased enforcement of alcohol laws. Included was an operation in which plainclothes police officers patrolled the streets to spot violators of the town's public consumption ordinance, which makes it illegal to consume alcohol on city streets, sidewalks, parkgrounds and other public places.

More than 230 persons were charged with alcohol related offenses between August 1981 and January 1982. Most of those arrested for public consumption were students, who attended an alcohol education class in lieu of prosecution.

The town's campaign against alcohol violations continued this summer with the undercover operation, as well as other crackdowns.

Between July 9 and August 15, outside of the undercover operation, there were 84 alcohol-related charges made by Chapel Hill police, including 41 for public consumption and two charges of littering with beer cans.

Many of the 21 charges of for underage possession of beer during the same time period were the result of uniformed police officers spot checking bars and asking patrons for identification.

With students back, spot checks and other alcohol law enforcement will continue, said Maj. Arnold Gold of the Chapel Hill Police Department. But he added that the department would rather people be aware of drinking laws than have to enforce them—one reason a police officer was placed at the information booth at the post office on Franklin Street, sponsored by the town's Chamber of Commerce.

"We would rather prevent crime than have to enforce the laws," Gold said. "If we don't get compliance we're going to charge people."

See ABC on page 3

Economic effect unknown

Three N.C. banks lower prime

By HOPE BUFFINGTON
Staff Writer

The prime rate went down again Monday, as First Union National Bank, Wachovia Bank and Trust Co. and North Carolina National Bank, North Carolina's three largest banks, reduced their prime lending rates from 14 percent to 13.5 percent. Monday's reduction in the prime rate, the rate at which banks loan money to preferred customers, was preceded by two drops last week.

The lowering of interest rates followed similar announcements by Citibank and Chemical Bank of New York, making the present prime rate the lowest since mid-October 1980.

How these sudden drops in the prime lending rate will affect the economy is not yet evident, banking officials said last week. However, last Tuesday and Wednesday were record-breaking days on Wall Street as investors were optimistic about the falling rates.

Stephen L. Meehan, Assistant Secretary of the North Carolina Department of Commerce, said high interest rates have definitely affected industrial investments in the state's history, he said.

Meehan said many of the nation's corporations and businesses, including many large, multi-million dollar corporations, are operating at 70 percent capacity, making further industrial investments unprofitable.

Meehan said immediate factors that could produce a possible upswing in the nation's lagging economy "are interest rates being first, then control of government spending." Meehan added that "People are now looking more at interest rates than at balancing the budget."

The question is how long will interest rates continue to decline, economists said.

Al Smith, Chief Economist for North Carolina National Bank, the largest bank in the Southeast, predicted prime lending rates to continue to fall through September, possibly leveling off in October. However, consumers might not feel reductions in the prime interest rate until the end of the year.

An official at the Federal Reserve recently agreed, noting that short-rates, the interest banks pay to loan money from the government, would probably remain at 9 percent; however, the short-rate dropped to 8.875 percent Monday, continuing a drop from 14.81 percent last week in June.

He also said that the sudden reductions were necessary for any significant recovery in the nation's economy. Reductions in consumer rates would be the decision of the individual banks and not the reserve.

However, Jim Singleton, Media Relations Director of First Union National Bank, said he believed that three main factors are involved in the reduction of prime lending rates: Federal Reserve short-rates, Money Market Certificate rates and prices paid on high volume, short-term deposits, which are called "free money." "Free money" refers to surplus money between major investments. The Federal Reserve rate and the Money Market Certificate rates — which dropped to 10.5 percent Monday — are controlled by the Federal Reserve Board, whereas the interest paid on high volume, short-term deposits are controlled locally by the banks.

There are many other minor factors, including building rents and employee salaries, that reduce the 5 percent spread between the Federal Reserve rate and the prime lending rate, he said. At times during the past year the actual margin between the two rates has been approximately 1 percent, sometimes less than 1 percent, and at one time, for a few hours, a negative percent, Singleton said.

The most likely route for further reduction in the prime is a drop in the short-rate by the Federal Reserve. Singleton said he doubted such a reduction would occur because the recent change in the rates has created a flow of money into the market which will stimulate the economy. But the Reserve's drop in the short-rate Monday was seen as a further step towards strengthening the economy.

Dr. Roger N. Waud, professor of economics at UNC, said interest rates may fall by the end of the year as low as 10 percent, a figure .66 percent higher than the interest rates of 1979, considered a boom year by economists.

Waud also noted that falling interest rates would provide a bigger cash flow, enticing the consumer to borrow and invest more money in the economy. However, the consumer rate is currently between 16 and 18 percent. The consumer may also interpret the lowering of the prime lending rates as a sign of decreasing inflation.

He said he believed that the nation may not be at the end of its recession; therefore, the nation's reaction to the sudden drops in prime lending rates could cause overexpansion in the economy, which could result in soaring interest rates again.

Transfer orientation has greater turnout this year

By JOHN RICE
Staff Writer

"My only problem was getting sick from all the drinking. God! I'm glad classes are starting," one UNC junior transfer student said about Junior Transfer Orientation. But there was more to the program than Dionysian festivities.

Some would describe Transfer Orientation as an attempt to show more than 800 mice how to run successfully an intricate, two year maze at Carolina with a chunk of blue cheese at the end. At every corner is a decision about academic studies, campus organizations, social needs, and so on.

In preparation for meeting the upcoming demands of college life at UNC, the transfers were kept hustling for four days to conferences with advisers, softball games replete with kegs, picnics, seminars like "What to know before meeting with your advisor," and "Graduating on time," and much more. The question is,

"Was Junior Transfer Orientation a success?"

Neel Lattimore, Transfer Coordinator and responsible for Transfer Orientation, reflected in the Chi Psi house early one morning after it was over. "When I was a Junior Transfer, orientation wasn't successful for me so I wanted to see if it could be improved. I was told to expect 10 percent (of transfers) to show for an activity, but each time we had over half. To me success lies in that. Most transfers should know what's going on, or at least who to ask."

Low turnout in the past has made orientation for transfers seem unnecessary. But this year a program described by Lattimore as "geared more to academics" met greater success.

Pam Foster, a transfer from Lewisburg College, said she would have been lost and confused without orientation counseling. "My OC (orientation counselor) was a See TRANSFER on page 3

Triangle theater not lacking in variety this year

By JEFF GROVE
Assistant Arts Editor

* Second of two parts

Theater is something of a booming commodity in Chapel Hill. But the town does not hold a monopoly on theater in the Triangle.

The Carolina Regional Theatre, which until last year operated out of an office in the UNC department of speech communication, is one example of the presence of theater headquartered in nearby cities accessible to Chapel Hillians.

Over the summer CRT relocated in Raleigh's Memorial Auditorium. Some performances will be held there, but CRT will maintain its reputation as a touring company, taking high-quality, small-scale theater to locations across the state.

CRT artistic director Martha Nell Hardy, a UNC speech professor, mentioned with justifiable pride that CRT has visited two-thirds of

North Carolina's counties. Hardy was unable to give details about this year's CRT productions because contractual arrangements are incomplete. But she did say that Chapel Hill will definitely be on CRT's itinerary. In that way, it will be as if CRT never left.

Other groups in the Triangle do not perform in Chapel Hill but serve the community just the same. Durham and Raleigh both have amateur companies which offer theatrical productions which are often well worth the drive.

The Duke Players, for example, are drama students and professors at Duke University. While the Players are the producing arm of Duke's drama department, they are not really a part of the department. Drama professor John Clum leads the company with artistic director Jeffrey Storer. But all major decisions, including selection of plays, are made by a student executive council.

The Duke Players' season begins this weekend with a production of Brian Friel's *Lovers*.

A professional actor will appear in the leading role of Bertolt Brecht's *Galileo*. The remainder of the season will feature *Uncommon Women and Others*, *The Comedy of Errors* and *Bent*.

Off the Duke campus, but still in Durham, is the Durham Theatre Guild, a community theater affiliated with the Durham Arts Council. Founded some 35 years ago, DTG is controlled by a "working" board of directors — members who select the season, direct the plays, and act as technical crews. The actors, who come from the Triangle area, are students, workers and homemakers by day. At night, though, they don greasepaint and costumes and create new worlds for area audiences.

DTG president Bud DeWinter said that DTG does not offer student discounts because, as with CRT and Duke Players, regular admission is so low that such discounts would be impractical.

DeWinter said that DTG will present four shows this year: *Something's Afoot*, *Our Town*, *The Killing of Sister George* and *Come Blow Your Horn*.

If you are willing to drive a little more, there are tempting theatrical offerings in Raleigh, too.

Raleigh's Theatre in the Park has been around in its present form since 1972, and before that as the Children's Theatre of Raleigh, founded in the mid-40s.

A mystery play, still to be chosen, will start the season in October. *A Christmas Carol*, *Julius Caesar*, and the musical *Zorba* will follow. In between these shows will be a large number of studio presentations, which allow talented area craftsmen a chance to exhibit their skills. Many local writers and directors get big breaks here.

Like Durham, Raleigh has its community theater — the Raleigh Little Theatre, founded

in 1936. Executive/Artistic Director L. Newell Tarrant directs most of RLT's plays, but guest directors are brought in on occasion. RLT depends on its subscription audience, as only 25 percent of its ticket sales are single admissions. But RLT offers student discounts for single shows and season subscriptions.

This year RLT will produce *Sherlock Holmes*, *Grease*, *Move Over Mrs. Markham*, *The Crucible* and *South Pacific*. RLT is noted for being one of the few community theaters to use an orchestra when it produces a musical.

So there you have the answer. If the Playmakers Repertory Company is between productions and it's three months before another touring Broadway show comes to town and you're starved for theater, just check the *Weekend* section of the *DTH* — chances are that just a short drive away, someone is presenting that play you always wanted to see.