

Effects of Reagan's deregulation policy varied, experts say

By STACI COX
Assistant State and National Editor

Ronald Reagan has maintained his agenda of cutting back government involvement, and deregulation has been the cornerstone of that policy.

"His overall policy is to shrink the size of government," said a White House spokesman who cannot be identified because of White House policy.

"Reducing the bureaucracy that citizens and private enterprise have to deal with stimulates the market, the official said. Deregulation opens up the markets for increased competition which improves the product and lowers prices, he said.

The Reagan administration has deregulated numerous industries, including telephone, airline, banking, railroad, trucking, energy and cable industries.

"We consider it a success. It benefits everybody across the board," the official said.

But not everyone agrees. "Deregulation doesn't hurt the companies so much," said R.C. Smith, vice president of Teamsters Local 728 in Atlanta. "Companies can find a way to bail out and still make money. People just go broke."

Wages and working conditions have deteriorated since deregulation of the trucking industry, Smith said.

"It's about destroyed the industry, and it's had a traumatic effect on some of our standards of living," he said.

Before deregulation, trucking companies had rights to certain routes and could borrow money based on expected income from those routes, Smith said. Many of those companies went out of business after deregulation, and remaining companies refuse to take shipments for less than 500 to 1,000 miles.

"The shipper suffers because there is really less competition for short hauls and worse quality. Small factory towns are really getting crunched because it's so hard to move their product from place to place. We're getting to where we're making things we

The Reagan Legacy

can't afford to buy," Smith said. The banking industry has not suffered from deregulation, said Paul Eisenbeis, Wachovia professor of banking at UNC.

"What happened was much more the result of market forces than of intellectual decisions flowing from the Reagan administration policies," he said.

Deregulation of banking has increased the quality and variety of bank services, but there are some complaints about increases in service charges, Eisenbeis said. Most rate increases represent an assessment of specific bank services that were priced as an equal portion of a block before deregulation and must be priced separately now.

There have been a number of new entries and consolidations in the banking industry since deregulation and a lot of failures, but there is no evidence that the failures are due to deregulation, Eisenbeis said.

"I'd say the failures are more the legacy of past regulatory policy than the legacy of deregulation in the Reagan era."

Not only has deregulation benefited consumers by increasing interest yields and banking services, but it has created jobs for hundreds of thousands of Americans, the White House source said.

Government statistics indicate that deregulation has created 76,000 jobs in the airline industry and 223,000 jobs in the trucking industry. Deregulation also saved consumers \$10.9 billion in airfare, \$46.2 billion in energy-related purchases and a 6.5 percent decrease in trainfare, he said.

But Smith said those figures could be deceiving.

"The people running things have a way of blocking things out. They may have created more 55-an-hour jobs but the common people aren't getting the benefits. You know you can't work for McDonald's and raise a family."

Officials predict state budget cuts

By STEPHANIE VON ISENBERG
Staff Writer

A decrease in North Carolina's state revenue resulting from Gov. Jim Martin's tax cuts and the costly Basic Education Plan has placed a strain on the state's budget that may force cuts in programs.

The Basic Education Plan, which was developed four years ago to improve public schools and ensure equally good education in all counties, requires from \$110 million to \$180 million of the budget.

Education programs are allotted a budget of \$2.9 billion out of an annual total state budget of \$10.5 billion, said

Sen. Harold Hardison of Deep Run, vice chairman of the Senate allocations committee.

The slow growth of the state's economy and the reduced revenue because of lowered taxes create a long-term budget problem, said outgoing Sen. Tony Rand, who was chairman of the state Base Budget Committee.

The budget is projected on the growth rate in the economy, Hardison said. If the economy is slower than projected, the budget is tighter.

Increases in Medicaid and aid to children will require \$60 million of

the budget, and another \$60 million will go to medical insurance for state employees and teachers, said Democratic Sen. Henson Barnes, president pro tempore nominee.

When the legislature convenes Jan. 11, it will debate issues such as raises for state employees and which, if any, programs need to be cut, Rand said.

Barnes said no major programs should be cut, although some of the minor programs may be. Education will remain a high priority for funding.

"We shall not allow our universities to decline. We will do whatever it

takes to keep salaries on a parity with other universities," Barnes said.

A raise for state employees is possible but money toward other programs may be reduced, Hardison said. "It's going to depend on whether or not they put the pay raise at a higher priority."

The budgeting of educational programs and faculty salaries is up to the governor, Barnes said. Martin has not yet presented his budget.

"We're now getting into a situation where budget makers must be awfully, awfully cautious," Hardison said.

Experts push for confidential AIDS tests

By DENISE JOYCE
Staff Writer

Because South Carolina's confidentiality law still requires that patients' personal information be given when they are tested for AIDS, many people are crossing into North Carolina for anonymous testing, officials said last week.

That concern for confidentiality is a reflection of the inadequate laws of the states, they said.

Chris Hoke, head of the legal office division of Health Services for North Carolina, is an adamant supporter of anonymous testing to protect people's rights.

"Anonymous testing has shown more testing and counseling with persons in high-risk groups. Until we provide better protection for these groups and therefore obtain better

Congress

action." Brock Dickinson (Dist. 13) agreed. "We've decided this is a sound and good thing. Why would it only be a good thing a year and a half from now?"

Other members of congress said they opposed scheduling the bill to take effect this year because of how other students may view it. "I certainly don't question the intent (of congress members involved with the bill); I question the appearance," said Gretchen Knight (Dist. 20).

Congress voted 14-5-5 to put the bill into effect in 1989 if it passes during the Feb. 21 election as a referendum.

The bill was referred back to committee after congress members expressed concern about possible problems in the line of succession to the student body president.

In other business, congress passed a measure condemning the University

access to them, this is the best way," Hoke said.

The only protection for AIDS or HIV-infected people in North Carolina is the state's law protecting people with physical disabilities from job discrimination.

It is unclear how AIDS victims fit into this law, Hoke said. It only applies to large companies.

One recent Wake County suit that could have tested the law concerned an HIV-infected cook who lost his job, Hoke said. The court dismissed the case without saying why.

Sheri Britton, an AIDS counselor for the Charlotte Health Department, also stressed the need for anti-discrimination laws.

"Confidential testing would only defeat the purpose of helping these

people until strong protection laws are passed," she said.

While she had no exact figures on the number of people crossing into North Carolina for testing, she did say that a few of her patients told her they were from out of state.

Linda Kettinger, head of the communicable diseases department of Columbia, S.C., said the state switched to confidential testing in February 1986 because of the state's high rate of AIDS cases.

Patient information must be given to the testing agency, but it cannot be released from there.

"We're not blind to the fact that some may not come in, but we hope the majority will," she said. "There have been no breaks in confidentiality with this agency to another

organization." Kettinger said she had no information on the crossover occurrence.

Giang Le, communicable disease program manager for Raleigh, said there had not been any significant increase in Raleigh's average 250 tests per month.

"There are pros and cons to each method," Le said, "but what we really want to do is promote accurate education on AIDS. It's terribly important. We assume test patients are already at risk, and we want to nip AIDS in the bud before that happens."

Hoke said a bill should be introduced to the General Assembly this spring that would address discrimination in housing, employment, public services and transportation.

"We need to control this epidemic of fear," he said. "It's so easy to discriminate under the current laws because there's so many loopholes."

housing department's proposal to guarantee sophomore housing. Members said the measure was discussed because of the Housing Advisory Board meeting today that could decide whether to adopt the proposed policy.

Congress members cited the effects the proposal could have on integration of the different classes in the residence halls, enforcement of the alcohol policy and parking.

Congress Speaker Neil Riemann (Dist. 12) said the purpose of the measure was to express moral sup-

port for the Residence Hall Association.

Members said they did not believe the housing department was supporting the best interests of students in their proposal. "They have told the RHA president (Jimmy Randolph) their main reason is financial," Riemann said. "It will increase occupancy."

"We believe our proposal is more fiscally and certainly more ethically sound," he said.

The motion was adopted by consent.

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