

Students who did not turn in their applications for the Peace Corps before the representatives left campus may mail them to Peace Corps, Trust Territories Task Force, Washington 25, D. C.

The Daily Tar Heel

Campus Chief?

Are you chairman, president, or caliph of a campus organization? Then hurry and turn in a resume of your group's activities to Carolina Handbook editor Steve Hildenbrand. Deadline today.

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Wall Street Drop A Part Of Cycle

By BILL AMLONG
DTH Staff Writer

Monday's drop in the stock market—called the steepest since the Nov. 22, 1963 assassination of President Kennedy—really wasn't that much of an all-of-a-sudden thing, a visiting professor of finance said here Tuesday.

James L. Knipe called it a dramatization of what's been happening for the past few months.

Knipe—for three years adviser to the chairman of the Federal Reserve System and author of a 326-page analysis of "The Federal Reserve and The American Dollar"—said that the decline was, for one thing, overdue.

"There's no doubt that the stock market seems to be trying to say something," he said in his 109 Gardner Hall office.

"I think this is an expression that the market feels the administration has finally gotten a little afraid of inflation and will permit the Federal Reserve to tighten money up a little bit," Knipe said.

"If this is true, then this long boom may be topping off," he continued.

"It's overdue to top out." "It's the long overdue recognition that expansionary monetary policies have to be curbed sometimes and are now being curbed with the Administration's permission."

The Federal Reserve System attempted a token tightening up of the dollar of President Johnson.

The "Fed" was forced to back down.

"The Fed has come under the direct influence of Johnson in the past few years," Knipe said, "so that its autonomy has been either impaired or largely lost."

What the Fed is doing, Knipe said, is telling businessmen that it's now time to stop expansion policy. Knipe said, "pandemic plans and equipment because the business cycle has reached that stage again."

For the past five years, while the economy has been rising four and one half per cent, the Federal Reserve System has been following an expansionary policy of providing banks with a nine per cent base for loans. After about three years of ex-

it starts getting "foolish." Now, the Federal Reserve System has decreased this base to about 6 per cent and the economy is tightening itself up.

The reason for Johnson's vetoing the December tightening-up, Knipe said, was that "his professional economic advisers have been telling him that there's no such thing as a business cycle, that the business cycle is a thing of the past."

In the past few months, however, there's been a re-evaluation of that theory, though, said Knipe. Even the advisors "have tempered it a little bit in the past two weeks," he said.

However, because the "brakes" weren't put on in time and with the appropriate finesse, Knipe said, and the economy is beginning to fish-tail like a car on ice.

"We're skidding a little bit—not seriously—and the business community sees that," he said. "I think that's the main thing behind the market decline."

Another factor in the current economic picture is the uncertainty of the business community over what we're going to do in Viet Nam, Knipe said. It really doesn't matter, financially, Knipe said, whether we stay in or get out—but it does matter whether businessmen can be sure we'll take one course or the other.

The likelihood of a general recession following the stock market drop is slim, Knipe said, because of "built-in stabilizers" in the nation's economy.

"But we also have a built-in destabilizer, now that's a new and dangerous thing," he said. "That's the \$80 billions of consumer debt."

"If you have a recession that amounts to—let's say 15 per cent, which I don't think we'll have, it might set off a lot of consumer debt default."

"So far, it's only a trough in the stock market," said Knipe. "It's not a trough in the business cycle. The market is only saying that there may be one."

"If it comes, I don't think it will be either long or deep."

Mao Returns To Limelight After Hiding

TOKYO (AP)—Radio Peking said today Chinese Communist leader Mao Tse-Tung appeared in public yesterday ending speculation that he was seriously ill. He had not been officially reported at public functions for six months.

Radiophotos from Peking showed Mao smiling with Premier Mehmet Sehru of Albania, who is in the Red Capital on an official visit. The 72-year-old Mao seemed as robust as ever, with no sign of having lost weight.

There have been reports that Mao suffered from a heart condition. The last official word of his activity was Nov. 26, when Peking reported he met with a Cambodian delegation in Shanghai. Recently, however, a New York report said Mao was at Peking airport Feb. 28 to see off Kwame Nkrumah, who was ousted from the presidency of Ghana while visiting Red China. But Peking never mentioned this appearance.

Peking and New China News Agency broadcasts said Mao was host at a banquet for the Albanians, who are Red China's lone ally in Europe in Peking's feud with Moscow.

Peking made no mention of why Mao had been absent for so long and said nothing about his health. Officials in Peking twice denied recently that he was ill.

Mao frequently has absented himself from Peking for long periods of rest and study in the past 20 years.

The report of his reappearance coincided with the announcement that Red China had detonated its third nuclear bomb Monday. Peking said Shehu hailed the blast as "a very great victory not only for People's China but for the socialist camp and mankind."

The Albanians arrived in Communist China April 28, attended May Day celebrations in Peking and went on a tour of Harbin, Shanghai and Canton. They returned to the Chinese capital May 8.

Peking said Premier Chou En-Lai, defense Minister Marshal Lin Biao and other party leaders were present at the banquet.



KNOWING THAT there is a 9-1 ratio of men to women here, the DTH felt obligated to do something for those fellas who MUST have lost out. So here she is, Miss Sunny Smash.

Noon Rally Friday Protests Against Student Deferments

By ANDY MYERS
DTH Staff Writer

Students for a Democratic Society will hold a noon rally Friday in Y Court to protest student deferment from the draft.

The rally, an "informal" one according to Student Peace Union member Chuck Schunior, will be highlighted by speeches from Dr. Lewis Lipsitz, SDS member Gary Waller, and Schunior.

A booth will also be set up to distribute flyers titled "Call For An Examination Of Conscience" in which SDS is countering the selective service's recent "Beat-The-Draft" exam with one of their own tests. Saving their test is not "doc-

trinaire," Schunior insisted its purpose is to dramatize the unfairness of the draft test. The selective service is offering its test to college students this Saturday, May 21, June 3, and later dates.

The rally will be directed against the draft, and especially against 2-S deferments, Schunior said.

Lipsitz, a political science teacher, attacked our present deferment system last week, and suggested persons be allowed to stay out of a particular war if they did not agree with their country's policies abroad.

He is expected to continue his attack against 2-S deferments Friday. According to Schunior, Waller will deliver a "harangue" against the Viet Nam war in general.

Schunior will probably read the flyer, put out by the national SDS organization, which says of the SDS test:

"Passing our Viet Nam exam won't put you in a jungle fox hole. But maybe thinking through some of our questions will make you a little shakier, a little freer—and a little prouder of your own conscience."

The handout asks: "The government intends to train us to be killers if we fail its test, why doesn't it ask us instead what we think this war is all about?"

Schunior did not know whether there would be a sound system for the speech-makers at the rally. Copies of the SDS

Forum Panel Talk Set On Viet Nam

By STEVE BENNETT
DTH Staff Writer

The Carolina Forum will sponsor a panel discussion on "The Future of U. S. Foreign Policy in Viet Nam" featuring Dr. Henry Kissinger, George Cabot Lodge and Allard K. Lowenstein next Tuesday night at 7:30 in Memorial Hall.

Dr. Kissinger, a consultant for the National Security Council, is considered to be one of the foremost citizen ex-

perts on foreign policy in the country. He has written several books on the role of nuclear weapons in foreign policy.

George Cabot Lodge, son of the former Ambassador to Viet Nam Henry Cabot Lodge, is the former Assistant Secretary of Labor for International Affairs and is now Director of the Division of International Studies at Harvard College. He was also a candidate against Edward Kennedy for the U. S. Senate.

Allard K. Lowenstein, who was an advisor to Hubert Humphrey, is now a member of the executive committee of Americans for Reappraisal of Far Eastern Policy. He is a former professor at N. C. State University, former president of the National Student Association and has been a Congressional candidate.

Lowenstein has put much time and effort into the Civil Rights movement and has been extremely active in various leftist causes. George Nicholson, III, chairman of the Carolina Forum said, "I think it is a real privilege for the Forum to have the opportunity to present such a distinguished panel of experts in the field of foreign policy."

Nicholson said that another member of the Forum panel will be announced in a few days. The faculty moderator for the panel discussion will also be announced soon.

The panel members will begin with a few introductory remarks and then will discuss questions from the floor addressed to the panel or to individual members.

Kissinger and Lodge were secured as members on the Forum panel when Nicholson and several other members of the Forum traveled to Boston to see them in February.

The panel discussion will have delayed transmission coverage by UNC Television.

Larson Criticizes LBJ's Policies

Dr. Arthur Larson, director of the Duke World Rule of Law Center who has been invited to speak on a Carolina Forum panel here Tuesday, charges that President Johnson fails to understand the role of power in international relations.

In a recent address at a Conference on Containment Policy in Asia at the University of

Wisconsin the former official in the Eisenhower Administration said that Johnson likes power and relies on power.

This was the first time Larson, an authority on international law, had directed criticism of Johnson since he threw his personal support behind him in the 1964 Presidential election.

Power, Larson asserts, is the ability to produce a desired result. Any statement to the effect that President Johnson understands power, he adds, is an "inaccurate and superficial appraisal."

The former Undersecretary of Labor and director of the U. S. Information Agency under Eisenhower points to the 1961 Bay of Pigs invasion and intervention in the Dominican Republic as examples of resorting to "raw military power." Both are also stark examples of flouting the law, he concludes.

The uprising in the Congo and restoration of order through use of the United Nations is cited by Larson as an example of the procedure of dealing collectively with threats to peace.

But the U. S., because of its activity in Viet Nam, is looked upon by the world as "a confused and unpredictable giant with immense power but no clear sense of restraint or direction," he charges.

"Common sense and experience of the centuries has produced the rule of non-intervention in the internal affairs of other countries."

"When any one country violates that rule, the shock it produces around the world is partly the result of the realization that if rule of law ever disappears, no small country is safe," Larson asserts.

Cocktail Party Causes Strike

NEW YORK (AP)—Long Island railroad trainmen struck the nation's busiest commuter line at the rush hour yesterday, staging a whisky rebellion against cocktail-partying executives.

About 20 to 30 per cent of the LIRR's service went out as trainmen quit on four diesel lines that service the north

See COCKTAILS Page 6

Shea To Present 'Last Lecture'

Dr. Winslow Shea of the Philosophy Department will be the first speaker in the Morrison sponsored "Last Lecture" series.

For each lecture of the series, a faculty member will be asked to give a lecture under the assumption that it would be the last lecture he could ever give. The professor is asked to choose, after careful consideration, the one subject most meaningful to him after years of teaching and being with students.

Shea will speak tonight; and William Geer, History Department, will give his "Last Lecture" next Wednesday.

Both lectures will begin at 7:30 p.m. and will be in the Morrison social room.

Gleeman Tour

The UNC Gleemen, under the direction of Dr. Joel Carter, completed its annual spring tour of North Carolina and Virginia last weekend.

Before leaving Chapel Hill, the Gleemen sang for the University Methodist Church. Then they travelled to Hollins College in Roanoke, Va., where they sang for the Sunday night Vespers service. After the service the Gleemen entertained with several folk and traditional numbers. Individual members also presented a series of popular folk songs.

The Gleemen returned to North Carolina Monday morning and presented programs of religious and folk numbers at the Roxboro High School and the Oxford Orphanage.

This two-day tour was financed by individual members and money appropriated by Student Legislature.

YDC Hears Creech

William A. Creech, Democratic candidate for the Fourth District Congressional seat, will speak to the UNC-Orange

County YDC's at 8 tonight in Howell Hall.

The public is invited to attend the speech and a reception following it in Graham Memorial.

Creech has served as chief counsel to the Senate Subcommittee on Constitutional Rights for five years, as a member of the Johnston County Board of Welfare, as Counsel to the Senate Committee on Small Business and as economic assistant to the American Embassy in Baghdad, Iraq.

The 41-year-old Smithfield native graduated from UNC in 1948 and received his law degree from Georgetown University. He also studied at the University of Oslo and City of London Law School.

He opposes Harold Cooley in the May 28 Democratic primary.

SG Interviews

Student Body President Bob Powell has announced that all students interested in serving on a Student Government committee should come to Roland Parker II from 2-5 p.m. any day this week for an interview. There are vacancies on all committees.

Powell requests what newly appointed committee chairmen assist in the interviews.

Festival Chairmen

Interviews for committee chairmen for the 1967 Fine Arts Festival will continue through Friday. Interested students should sign up for appointments at the Graham Memorial information desk.

Committees are Social Arrangements, Secretariat, Finance and Publicity (Handbook, Displays and News Bureau).

Travis Abbott is chairman of the festival, which begins on April 9, 1967.

Attend Conference

Three members of the Department of Romance Languages attended the 19th University of Kentucky Foreign Language Conference recently in Lexington.

Language specialists from throughout the United States presented more than a hundred scholarly papers during the three-day conference.

Chairman of the Spanish II and also of the Medieval Studies sections was Prof. John E. Keller, UNC Professor of Spanish. Dr. Joseph R. Jones read a paper in the Medieval Studies section entitled "A Lost Hispano-Arabic Source of Alfonso the Wise's General Estoria."

In the Spanish American literature section, Leon F. Lyday spoke on "The Vision of History in El Virrey Solis of Antonio Alvarez Lleras." Lyday is a June candidate for the Ph.D. in Latin American literature in the Romance Language Department, where he is an instructor of Spanish.

Open House

The Consolidated University Student Council is sponsoring an open house for Carolina Gentlemen Saturday on the UNC-G campus.

There is a mixer in Coleman Gym from 4 to 6 p.m.

"The Tams" will be featured in a combo part in the ballroom in Elliott Hall from 8 p.m. to midnight.

Fall Sorority Rush

All women interested in participating in rush next fall (all sophomores, juniors and seniors) should sign up in the Dean of Women's Office, 202 South Building, by May 15. Rush information will be sent to those who sign up during the summer.

German Film Shown

The Department of German Languages and Beta Phi Chapter of Delta Phi Alpha national German honor fraternity will present a film at 7:30 tonight in the Dey Hall faculty lounge.

The public is invited to see the film—"Einen Jux will er sich machen" by Johann Nepomuk Nestroy, the nineteenth century Viennese farical comedy writer. There is no charge.

Recruiters Here

The Flintkote Co. and Fireman's Fund American Insurance Companies will be recruiting on campus today.

Tomorrow, N. C. Department of Conservation and Development—Div. of Community Planning, W. R. Grace and Co., Cryovac Div. and Fidelity Mutual Life Ins. Co. will be here.

Tusculum College will be here Friday and Associate Advertising Agency will be here Saturday.

If you are interested in talking with representatives of these companies, contact the Placement Service in 204 Gardner Hall.

UP Compliments SP

The University Party passed a resolution Monday night complimenting the Student Party for the democratic methods they used in settling their internal arguments.

The resolution was prompted by the SP dispute over whether they could hold party elections at the first or second party meeting after campus elections.

Champ Mitchell was elected to fill the seat on the executive committee vacated when Phil Kirstein resigned.

Fire Struck Old Building

By STEVE BENNETT
DTH Staff Writer

The old wooden structure which housed Kemp's and Court Drug Co. until a fire last Friday night is the only building left of the original town of Chapel Hill.

The building was erected in the late 1880's and has become the last building to survive the endurance of time.

The building is owned by M. A. Abernathy, a former resident of Chapel Hill, who is now a stockbroker on the New York Stock Exchange.

When Abernathy lived in Chapel Hill he used the building to house a bookshop. Kemp was his assistant in the shop and has been managing the building ever since Abernathy left town.

Court Drug Co. rents its part of the building from Kemp. Until this year that part of the building had been an Oriental Art Shop that was also run by Kemp.

The upstairs rooms of the building have had many uses over the years according to Kemp. He often tells the story of when Frank Sinatra lived upstairs over the store for several months many years ago. Abernathy has not yet said whether or not he will rebuild the structure. The building was condemned several years ago but no action was ever taken to remove the tenants.

Kemp has said that he will return to Franklin Street and Dr. Court has reopened his drug company next to the North Carolina National Bank.



CHAPEL HILL'S OLDEST BUILDING, which was built in the late 1880's, housed Kemp's and Court Drug Co. until heavily damaged by fire last Friday night.

— DTH Photo By Jock Lauterer