

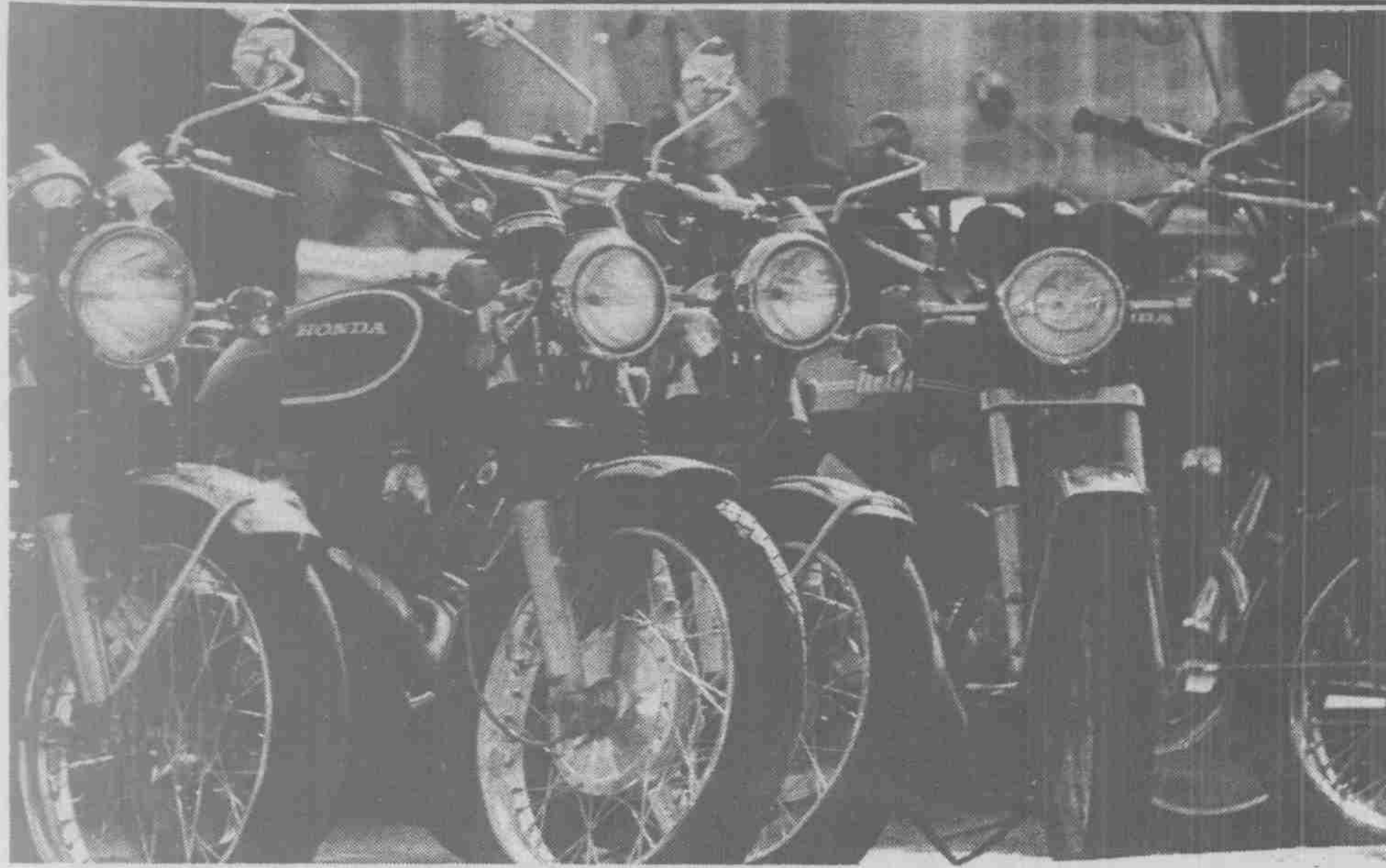
# The Daily Tar Heel

81 Years Of Editorial Freedom

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Staff photo by Bill Wenn

A continuing gas shortage may increase the number of people riding motorcycles.

## Election nominee up to CGC

by David Ennis  
Staff Writer

The Appointments Committee of the Campus Governing Council approved nominations for Elections Board chairman and Student Services Commission director Sunday night.

The committee approved the nomination of Rick Harwood, an economics graduate student, as Elections Board chairman. Hoyt Buchanan Doaks III, who is not an enrolled

UNC student, was approved as Student Services director.

Harwood, an economics graduate student, was unanimously approved by the appointments committee.

Harwood has been trying to contact the 10 members who served on the Executive Committee of the board last year to determine exactly how many additional members are needed.

He said the election laws require at least 11 members on the Executive Committee.

Harwood said he could not assume full powers until his nomination was approved by the CGC.

If Harwood and the new members of the Executive Committee are approved at the 7:30 p.m. CGC meeting, there will be an Executive committee meeting immediately following to rule on the validity of candidates' petitions, he said.

Harwood also said a mandatory meeting of all candidates will be held Wednesday at 7 p.m. in the Union.

Candidates who miss this meeting without valid excuses would be disqualified, according to the election laws.

Harwood asked that volunteers to man the polls for the Feb. 27 elections submit their names and the times they will be available to the Student Government office in Suite C.

CGC Speaker Juli Tenney, who attended the committee meeting, said copies of the Judicial Reform document will be available at the reserve desk of the undergraduate library, the Union desk, the main desk of each residence college, Suite C of the Union and the office of the Graduate and Professional Students Federation.

Copies will be available to fraternity and sorority presidents in the CGC office in Suite B of the Union. Copies will also be available at polling places on the day of the election.

Doaks said he plans to apply for re-election next semester.

Committee member Amelia Bellows opposed his nomination, saying, "The pot shots are not at you, but at the people who are appointing you. They've always been hiring other-people's best friends, and that's the problem with the hiring practice now."

Doaks said he had found out about the vacancy through his friend, Student Body Treasurer, Steve Jones.

His nomination was reported without prejudice by a two-to-one vote.

## Union board passes trust fund resolution

by David Ennis  
Staff Writer

The Carolina Union Board of Directors passed a resolution Thursday—requesting information concerning the status of the Union trust fund being managed by the University administration.

Howard D. Henry, Union director, will ask Donald A. Boulton, dean of Student Affairs, to provide the board with the information.

Henry said the board wants to know the size of the fund and whether it has been accruing interest properly.

Henry said the fund has existed for seven or eight years, and consists of excess money used to pay off the mortgage and to expand or renovate the Union building.

The resolution also instructs Henry to seek information defining the board's legal position in relation to the fund.

Henry said the board has no reason to believe the fund is being mismanaged by the administration.

The board also continued discussion of

restructuring of the Union Board of Directors.

The board approved sections of a revision plan that would increase the number of students on the board from 10 to 14 and decrease the number of faculty from nine to four.

Kate Whittington, a student board member, proposed a change in the revision that would allow three of the four ex officio student members of the board to appoint designates to attend board meetings.

The student body president, Graduate and Professional Student Federation president or Campus Governing Council chairman could appoint a representative if he would not be able to attend the board meetings regularly.

Citing poor attendance by these members in the past, Whittington's proposal would allow them access through their designates, she said.

The proposal passed unanimously.

The board also passed the non-student section of the suggested revision plan that decreases the number of faculty members of the board from nine to four representatives.

## N.C. to implement voluntary gas plan

United Press International

RALEIGH—Gov. James E. Holshouser Jr. announced Sunday a voluntary gasoline distribution system for North Carolina, asking motorists to buy gas on different days of the week according to the final number on their license plates.

The program, effective immediately, also

calls for a 25 per cent reduction in driving, requests service stations to fly a green flag when selling gasoline and allow a purchase of at least 10 gallons.

Holshouser said he would not hesitate to use emergency powers, including mandatory gas rationing, outlined in legislation before the General Assembly "if that becomes absolutely necessary."

The governor's program also asks drivers to avoid buying gasoline until they've used half a tank and urges service stations to sell their monthly allocation on a daily basis, splitting sales between the morning and late afternoon.

"All of this should combine to give us some relief from the long lines," Holshouser said. The cooperation of drivers and service station operators will in some cases mean that pumping can be spread out enough that some stations can even be open most of the day.

"It should mean that stations in your own neighborhood are more likely to be open and pumping gas when you need it," he said.

Gasoline, Holshouser said, will be sold on a voluntary, modified "Oregon" plan. Those with tags ending in an odd number can purchase gasoline on Monday, Wednesday and Friday. Those whose tags end in even numbers will be able to buy gasoline Tuesday, Thursday and Saturday. Those with special tags which do not end in a number will be considered as having an odd-numbered tag.

Holshouser's plan differs from the Oregon plan in that sales are by day of the week rather than date of the month.

The first drivers eligible under the system Monday will be those with odd-numbered tags.

North Carolina, he said, is "really about 25 per cent short of what we need." He said the state's demand for gasoline since the 1972 base for the federal allocation system had grown 10 per cent and the state was receiving only 85 per cent of its 1972 usage.

Holshouser urged drivers "to wait until your gas tank is half full or less before pulling into a service station to buy more."

He asked service stations to voluntarily enforce the policy. "By waiting until the tanks are half full or less before buying gasoline, we are going to give the service station operators a chance to catch their breath and make some changes to help you," he added.

Holshouser warned however, "If the General Assembly gives the governor emergency powers to deal with the fuel shortage, I won't hesitate to use them if that becomes absolutely necessary. We may even see the time when the federal government imposes coupon rationing."

North Carolinians were urged to form car pools and to take vacations within the state.

The governor called on all drivers to check mileage figures for their cars from last year and then roll back their driving by 25 per cent. He said drivers should ask themselves, "Is this trip really necessary?"

## Dealers boycott local gas meeting

by David Klingner  
Staff Writer

Fewer than half of Chapel Hill's retail gasoline dealers met with Assistant Attorney General John Silverstein Thursday to receive the word from the Federal Energy Office that "preferred customer" sale of gasoline is now illegal.

An official statement from the energy office said, "Sellers whose normal business practice has been to serve the public may not modify that practice to sell only to 'regular customers' or otherwise arbitrarily

## Refute filed in loan suit

Attorney General Reid James filed an answer to a law suit in the Student Supreme Court Thursday justifying the ending of the Student Instant Loan Service.

The move was in response to a suit filed last Monday by Campus Governing Council law representative Dennis Horn ordering Student Government officials to reinstate the loan service.

James justified the Student Service Commission's decision to close the loan service on the basis of the CGC's failure to seek an appropriate enforcement mechanism for the loan service.

James' answer denied Horn's claim that the Instant Loan Service is funded by the CGC, and therefore the SSC is responsible to the legislative body in loan service matters. James said loan service funds are self-generated by the SSC.

In answering the suit, James acted as counsel for the defense of Student Body President Ford Runge, former Student Services Commission director Mickey Clark, SSC acting director Trey Doak and SSC member Jim Whisenant.

James requested the removal of Runge and Whisenant for the suit. He said Runge has no control over the commission and Whisenant has no responsibility for the loan service as he is employed to handle refrigerator rentals.

discriminate among purchasers of an allocated product."

William N. Walker, general counsel for the Federal Energy Office, ruled that the regulations will become effective within the next three weeks and will carry a civil penalty of \$2,500 or a criminal penalty of \$5,000 for each violation.

New regulations also prohibit preferential arrangements for volume sales by retailers to customers who attempt to purchase gasoline in advance.

Customers who continue to experience discrimination at the pumps should notify the station owner of the new regulations and contact the state office of the Internal Revenue Service in Greensboro if the situation persists, Silverstein said.

Thursday's meeting attracted only 13 of the 29 station dealers in Chapel Hill, reportedly because John Hamilton, operator of Village Sunoco, called other dealers and urged them not to attend the session with Silverstein.

Hamilton, who has been highly critical of Attorney General Robert Morgan's decision to prosecute five Chapel Hill service station operators on charges of discrimination, reportedly objected to the presence of the press at the meeting.

Chapel Hill Mayor Howard Lee, who asked that the session with the station operators remain open to the press, left the meeting after Silverstein requested that the press be excluded.

Lee said the town administration would stay out of the gasoline controversy, although he helped to arrange the meeting. "The Town of Chapel Hill also will not take a stand on the pending litigation against the five stations," Lee said. "What we will do is arrange and provide any opportunity for meetings such as this one between concerned parties."

"For the most part, our dealers in Chapel Hill have been most cooperative. Regarding allocations, I think the whole Research Triangle area is experiencing a problem."

Lee also said he met with area mayors and county government officials to organize a united front in requesting that Gov. James Holshouser undertake new efforts to ration gasoline.

## Weather

TODAY: Sunny and warmer. The high is expected in the 60's. The low is expected in the mid to upper 30's. The chance of precipitation is zero. Outlook: Partly cloudy and continued warmer.

## Competition rages behind stereo showrooms

by Joel Brinkley  
Feature Writer

Many students hope to own a good stereo system some day. As a result, the sale of audio equipment has become one of Chapel Hill's most profitable businesses and a multi-billion dollar national industry.

All the customer sees of this industry is sensual showrooms full of glittering electronics. Behind this front, however, cut-throat competition and courtroom battles are waged constantly.

In 1972, Walter Mahnsky opened Big Wally's, an electronic parts store at University Square. Finding himself with an extra showroom, he decided to sell stereos as well.

This, however, was not to be. None of the distributors for any major brands of equipment would sell Mahnsky anything. Each company already had a store in town selling its products, and to insure that these stores remained happy, they refused to sell to anyone else.

Audio Underground, a division of the Record and Tape Center, discovered it, too, could not buy any of the popular brands of equipment. Because of this and management difficulties, it recently went out of business.

While competition between retailers is rough, the real battles rage between retailers and wholesalers.

Wholesalers are sales outlets which have no plush showrooms, no soft-spoken sales-people and no repair services. But they often have equipment at prices substantially below those offered by retailers.

Many manufacturers go to great lengths to prevent wholesalers from selling their products. These companies feel that their names are being degraded when their equipment is sold from warehouses at cut-rate prices.

Pioneer Corp., the world's largest manufacturer of audio equipment, estimated that in 1974 it will pay lawyers \$1 million to keep its products out of the hands of wholesalers.

Dixie Hi-Fi of Kensington, Md., one of the nation's largest

wholesalers, receives 1,000 equipment orders daily, including many for Pioneer products.

Chapel Hill has its own wholesale outlet run by Ann Shachtman, who sales equipment from her Cumberland Ave. home.

A customer ordering from Shachtman must wait two or more weeks for his stereo to arrive, since she orders it from an out-of-state distributor.

Shachtman, whose husband is a UNC biostatistics professor, has been the subject of much controversy since she began operations two years ago. Many local retailers simply resent her being around.

"She should operate under the same circumstances we do," said Ricky Sessoms, manager of Vickers Audio in Carrboro, "with a store, overhead and salespeople."

Sessoms said he checked to see if Shachtman could legally operate in a residential neighborhood. "I doubt if her neighbors would like having Ecker's Drug Store on the corner," he said. He found that Chapel Hill has no law banning this type of operation.

"We operate on such a small scale that I don't see why anyone should care," Shachtman said upon hearing of Sessoms' comments.

Sessoms said he feels he does lose a measurable amount of business to Shachtman, but said, "We're working on that." At his instigation, at least one major manufacturer, Marantz, Inc., is suing Shachtman's distributor for violation of North Carolina's fair-trade laws.

Shachtman denied knowledge of any such suits. She also denied selling fair-trade items illegally.

Fair-trade laws regulate the price at which merchants may sell fair-trade products. Each manufacturer decides whether or not his products are to be fair-traded.

The owner of another local audio store said he recently sent one of his salesmen to shop Shachtman. Posing as a normal customer, this salesman attempted to buy a pair of EPI 100's, fair-traded speakers. Shachtman ordered the

speakers, the store owner said. "...but when they arrived they had no warranty cards. She (Shachtman) said the cards had 'already been sent in.'"

Shachtman admitted selling the EPI speakers, but added, "He could have seen the warranty cards if he wanted."

According to the store owner, EPI, too, will soon be taking Shachtman's distributor to court.

With a wholesaler around from whom a customer can save a large percentage of an expensive purchase, one would think few would patronize the big stores.

But they do. Jim Steele, owner of Soundhaus, offered this explanation: "We are basically selling entertainment—entertainment derived from very delicate electronic instruments. When these instruments cease to operate correctly, they are no longer entertaining. Therefore it is important to buy from a store offering good repair service."

Retailers claim they usually fix equipment promptly, in some cases in one day. Those bought from a wholesaler must be returned to the factory for service, which can take months.

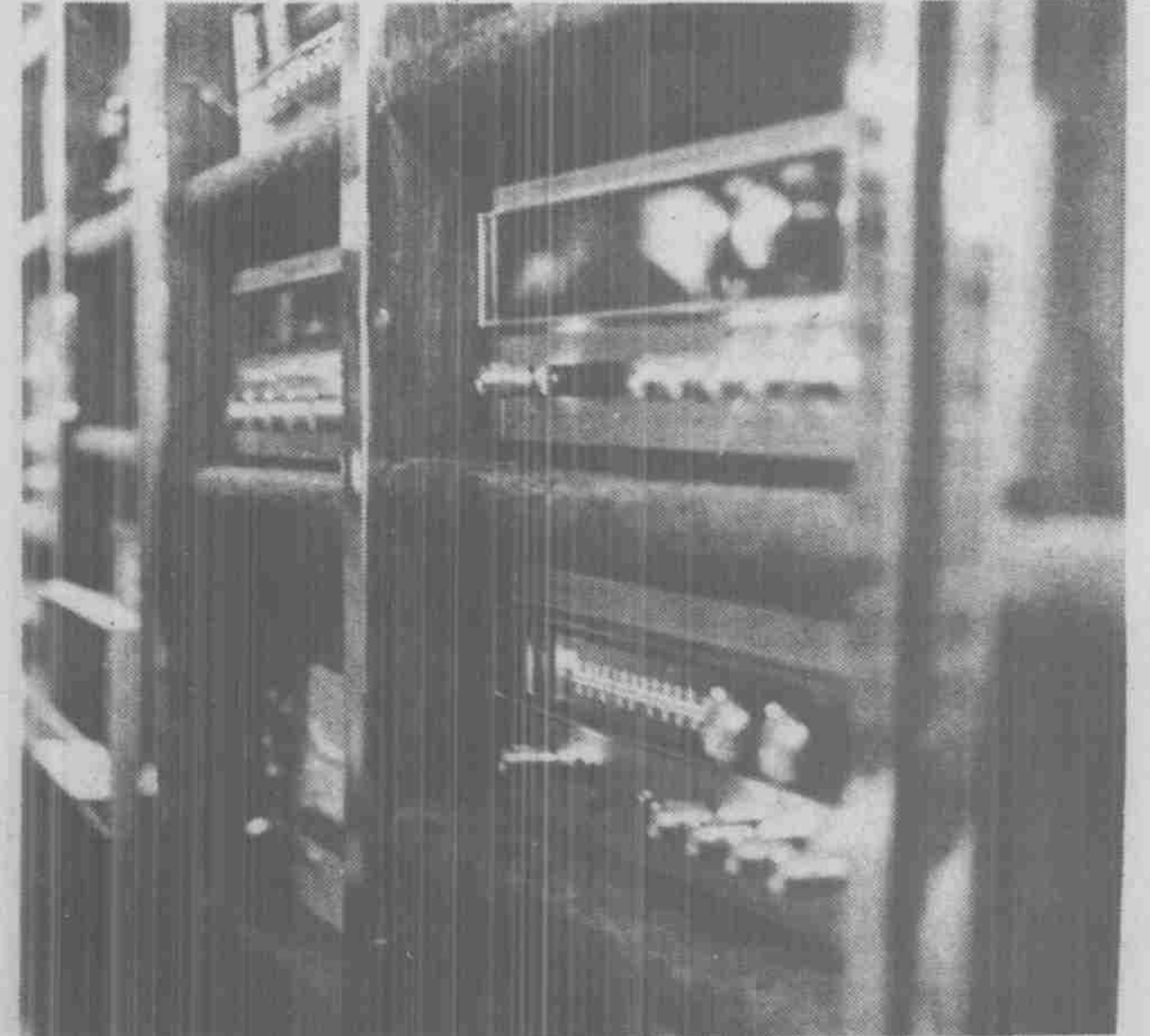
The managers of all three area retail stores also claimed that Shachtman's discounts were small. "...often only 3 to 5 per cent more than we give," George Draper of Audio Specialists said.

A comparison of local prices showed that for an average stereo system this was not the case. Each dealer was asked his price for similar or identical systems consisting of two speakers, a receiver (an amplifier with built-in FM stereo radio) and a turntable.

The retailers offered almost identical prices, each being about 17 per cent lower than manufacturer's list price. Shachtman sold the same system for a 29 per cent savings.

Most audio manufacturers sell their products to dealers for about 40 per cent less than list price.

Fights will continue within the audio industry, but this probably will not affect profits. As long as music remains an important part of today's culture, audio equipment will continue to sell.



Staff photo by Martha Stevens

Stereo components sit on a dealer's shelves