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Inflation bites into private school enrollment

by Bruce Henderson
Staff Writer

Inflation, scourge of the 10-cent hamburger and the nickel cup of coffee, has struck again, this time biting into private colleges and universities in North Carolina. In recent years, educational costs—teacher salaries, textbooks, operating costs—have risen even faster than the spiraling inflation rate. The result is higher tuition at the already expensive private institutions, thus lowering enrollments at most of these schools.

Nationally, a total of 71 private colleges have closed or merged since 1970, according to a survey by the National Council of Independent Colleges and Universities.

In North Carolina two private colleges, Mitchell College and Southwood, disappeared from the private ranks in 1973.

An estimated two-thirds of the 29 senior private schools in the state have experienced declining enrollments.

The loss of revenue due to lowered enrollments, coming amid rising costs for practically everything, has presented problems for a majority of the private schools. Schools have been cutting costs by dismissing faculty members and lowering operating expenses.

While more people are attending college than ever before, fewer of them are going to private schools. This fall, the schools in the Consolidated University gained 5,400 students in enrollment. From 1970 to 1974, undergraduate enrollment at the UNC campuses increased by 10,067. In the same period, enrollment at the private senior schools increased by only 1,974.

In a recent DTH survey of private North Carolina colleges, most of the schools

reported decreases in enrollment.

Raleigh's Meredith College reported 1,243 students, down from 1,274 in 1974.

Guilford College had 998 this year, down from 1,022 three years ago.

Shaw University of Raleigh has 1,194 students, a decrease from last year's 1,227.

Campbell College of Buies Creek had 1,820 students this fall, a decrease from last year (2,066) and 1971-72 (2,228).

The larger schools—Duke, Wake Forest and Davidson—reported that they had all the students they wanted. None said they were in financial trouble.

"We have absolutely no money problems here, no problem getting students," an official in the Wake Forest registrar's office reported. "All our dormitories are filled." Most private schools listed tuition, auxiliary enterprises (i.e., income from housing and food services), endowment income and

grants as the leading sources of revenue. Many of the larger schools reported sizable income from invested endowment funds.

According to the survey and published statistics, it is the schools without huge endowments and with enrollments of less than 2,000 that are beset with most of the difficulties.

Public schools are taking up the slack in private school enrollment. In 1951, 60 per cent of North Carolina's college students attended public schools, 40 per cent attended private schools. In 1961, the public-to-private enrollment ratio was 67 per cent to 33 per cent. In 1971, the ratio rose to 81 per cent to 19 per cent.

The reasons for the lopsided ratio? One is tuition rates. Tuition has risen at the 16 UNC schools an average of 25.2 per cent in the last four years, now averaging \$459 per academic year. For the same period at private colleges,

the increase was 29.5 per cent. This nearly 30 per cent increase, added to tuition averaging \$1,626, has put private schools out of reach of most North Carolina families.

One college hurt by the situation is Campbell College. This year enrollment fell by 246 students. Provost A.R. Burkott said the decline was anticipated. In the last few years, tuition has gone up at Campbell, there was a faculty cutback last spring, and less is being spent on such things as building maintenance this year.

Burkott said Campbell is 'more or less typical of small private schools. Part of the trouble, he said, comes from the lack of state aid to private schools. All North Carolina students at public schools are subsidized \$1,500 per year. Students at private schools are allowed only \$200, based on need. A request for more state aid is now being

considered.

"I think I'm speaking for all the North Carolina private colleges," he said, "with a few exceptions. The small colleges have to compete for teachers who want higher pay, with public schools and larger schools." He added that new competition came from technical institutes and community colleges.

Practically speaking, he said, the private schools are no longer competitive with state-supported schools.

"What it amounts to is the big are getting bigger and the small are getting smaller," he said.

Burkott remained optimistic, however, saying that most of the private schools are not in dire financial straits, despite the declining enrollments.

"I think by next fall we'll be back on the right foot," he said.

Dean admits to cover-up of 1971 Ellsberg break-in

by Wesley G. Pippert
United Press International

WASHINGTON—John W. Dean III admitted Tuesday that he knew about the 1971 Ellsberg break-in eight months after it happened and destroyed one of the burglars' notebooks after the original Watergate trial in January 1973.

"You were covering up the California burglary?" asked John J. Wilson, attorney for H.R. Haldeman, former White House

chief of staff and now a defendant in the Watergate cover-up trial.

"Yes sir, I was," Dean acknowledged.

"And you did this consciously?" Wilson asked.

"I did."

"Why?"

"That was the easiest solution for me at the moment. I just put it in a shredder and hoped the problem would go away," Dean said.

The cross-examination of Dean, former counsel to former President Richard M.

Nixon, began after he had been under direct questioning for five days as the prosecution's first and star witness.

Just before chief trial prosecutor James F. Neal finished his direct questioning, he played the sixth presidential tape to be introduced into evidence. In that tape of an April 16, 1973 conversation, Nixon told Dean that Haldeman and John D. Ehrlichman, his top two aides, were "in on the obstruction."

Members of the White House "plumbers"

special investigative unit committed both the 1971 break-in at the office of Pentagon Papers defendant Daniel Ellsberg's psychiatrist in Beverly Hills, Calif. and the 1972 break-in at the Democratic National Committee in the Watergate complex.

Ehrlichman was found guilty of conspiring to violate the psychiatrist's civil liberties. Nixon said in written statements at the trial in July that he learned of the break-in March 17, 1973.

A notebook belonging to E. Howard Hunt Jr., a mastermind of both break-ins, was removed from his White House safe after the first break-in. As Wilson bore in, Dean testified he found the notebook in January 1973, the same month that Hunt and others were convicted in the original Watergate trial.

Under cross-examination, Wilson questioned Dean at length about his bargaining with the original Watergate prosecutors for immunity from prosecution.

Dean acknowledged that between April 8 and the end of May 1973, when he was informed he would not receive immunity, he had talked with the prosecutors five times.

"Were you fooled by them?" Wilson asked.

"The arrangement I worked out in off-the-record discussions between the prosecutor and myself was that what I told him would not be used against me and later they would decide what to do with me," Dean said.

"In these off-the-record discussions, did you admit guilt?" Wilson asked.

"Principally, obstruction of justice," Dean said, adding that he also acknowledged that he had urged deputy campaign director Jeb Stuart Magruder to commit perjury.

Dean also testified that the principal document he relied upon in preparing testimony of more than 200 pages for the Senate Watergate committee was a file of newspaper clippings about Watergate prepared by the Committee to Re-elect the President.



William Stevens addresses the UNC Faculty Club at the Carolina Inn

Stevens questions Morgan's record

by George Bacso
Staff Writer

William Stevens, Republican candidate for U.S. Senator, attacked Democratic opponent Robert Morgan for refusing to participate in a joint debate and questioned Morgan's record as state attorney general here Tuesday.

Stevens, speaking at the Carolina Inn

before the UNC Faculty Club, reiterated his belief that inflation is the key issue in the race.

"I understand my opponent was invited here to speak jointly," Stevens said, "but that he declined and refused, which has been his habit throughout this campaign."

Stevens recently asked Morgan why he has refused to take part in a public debate. Stevens said Morgan replied, "They might plant a question on me like they did on Rufus."

"I wonder," Stevens said, "what question he is so worried about answering?"

"Perhaps he is afraid of discussing his role in the 1960 gubernatorial campaign of I. Beverly Lake. . . Mr. Lake said Morgan urged him to run, raised money for his campaign and was involved in policy decisions."

Lake's campaign was noted for its segregationist overtones.

Stevens also theorized that Morgan might be wary of questions regarding his record as attorney general.

Morgan's handling of milk price-fixing allegations was also the target of Stevens' criticism.

Attorney General James H. Carson Jr. has announced charges against nine milk processors for price-fixing. Why was this not done during Morgan's term, when they have known about it for more than three years, Stevens asked.

Price fixing in the milk industry resulted in a loss of over one million dollars per year to the taxpayer, he said.

Stevens also called for Congressional response to President Ford's challenge to set a \$300 billion spending limitation.

"I have observed some pretty fuzzy thinking in the realm of economics, especially inflation. . . and a lot of it comes right from the halls of Congress," Stevens said.

Second in the minds of people, Stevens said, is the growth in the rate of crime. As a result, Stevens wants a complete reassessment of the distribution of federal crime-prevention subsidies.

Stevens said he advocates a national health insurance plan, but holds some reservations as to the plan's institution.

"It is almost inevitable that we will have a national health insurance plan, but I want to make sure we don't kill the patient in trying to cure the ill of the high cost of medical care," he said.

Unless final choice made soon

Centel may withdraw bid

by Rick Reed
Staff Writer

Central Telephone and Utilities Corp. (Centel), one of four bidders for the University-owned telephone system, will withdraw its bid unless a final decision is made soon on the sale of that utility.

Centel also said it is not considering anti-trust action against Southern Bell at this time.

Robert Reuss, president of the Chicago-based firm, said last week that Centel would consider its bid terminated "if a contract of sale has not been approved and executed within a reasonable time."

Reuss made the statement in a letter received Thursday by John Temple, vice chancellor for business and finance.

"It is doubtful," Reuss said, "that any such sale can be consummated in the face of the federal anti-trust laws and a lengthy controversy as to the legality of the proposed transaction with Southern Bell seems likely."

Reuss was responding to the recommendation of the Utilities Study Commission (Church Commission) that the

telephone system be sold to Southern Bell, and the water and electric systems be sold to Duke Power Co.

The recommendation—made Sept. 27—was tentatively approved on Oct. 11 by the UNC Board of Trustees. The trustees also suggested that the water and sewer systems could be combined in a local water and sewer authority of Chapel Hill, Carrboro and possibly Orange County.

Of four bidders for the telephone system, Centel's bid of \$23.8 million was the highest. Consumers Utility Corp. bid \$22.3 million; Southern Bell, \$22.1 million; and Carolina Telephone and Telegraph, \$20.9 million.

The Church Commission recommended Southern Bell as successful bidder because of its rate structure.

Church Commission member Tom Eller Jr. said in a telephone interview Tuesday that he is not surprised at Centel's position.

"Their letter is not anything new," Eller said, "because they made it apparent that they were going to resist Bell's having the telephone property."

After the Church Commission made its September recommendation, Centel and

CUC said they would consider anti-trust action against Southern Bell. It was speculated that if such a suit was filed, final sale could be delayed for as much as 18 months.

Richard Middleton, corporate information officer of Centel, said Friday that Centel is not considering a suit at this time.

Middleton cited rising costs as the main factor in Centel's position. He said that interest rates were 9½ per cent when the bid was made, and have risen to 11½ per cent.

Eller, a Charlotte attorney, said that any legal action taken by Centel to block the sale to Southern Bell would have to be presented before the Federal Communications Commission.

Eller added that such action "will not have the delaying effects people think it will have."

Eller also said that he expects the other unsuccessful bidders to consider withdrawing their bids. If he was in their position, Eller said, he would not want to keep his deposit and bid money tied up while a final decision was being considered.

Budd berates Democrats

Out to beat 'well-oiled machine'

by Greg Turosak
Co-Editor

At first impression, one might mistake state Senate candidate Michael Budd for either a repairman or a football fullback rather than a politician.

But there is much truth to both images. Budd, 32, a resident of Siler City, currently sells and recaps tires. His burly physique, nowadays topped off with a beer belly, hints at his former athletic career, when he played minor league ball as a second baseman for farm teams of the Los Angeles Dodgers and the Boston Red Sox.

During an interview last week with the Daily Tar Heel in his pickup truck over various parts of Orange and Chatham Counties, Budd stressed the fact that he is an honest man, new at politics and only wants to do what is right.

"Many people assume that just because I'm a Republican I must somehow be involved in the whole Watergate mess," he said, "but how could I be? I've never run for anything in my life, not even class president."

Budd said that, as evidenced by his athletic career, he is competitive by nature. He likes to be challenged. Thus, he said, when he heard Gordon Straughan tell the young people of the nation to stay out of politics during the impeachment hearings, he felt even more strongly about his venture into politics.

"I'm not running away from the Watergate issue," said Budd, "I'm running at

it head-on." He said the Watergate issue needs to be tackled.

At the same time Budd feels himself and other Republican candidates should not be assumed to be connected with the Watergate scandals, he had harsh words for what he feels is political hanky-panky on the part of the North Carolina Democratic Party.

Budd said that the Democratic Party is a "well-oiled machine" whose main purpose is to perpetuate itself in office and to derive benefits for its members at the expense of others.

"For years," Budd said, "the Democrats pretended to be the beacon light of the blacks and the poor people in this state, when they really just used these people to keep their machine going."

Turning his pickup truck off the main road, Budd drove down a well-paved side road. After a deserted half-mile, the road ended, and one house stood there.

"See that house there?" said Budd. "That belongs to a Democratic precinct worker. The Democratic administration in Raleigh paved a half-mile long private drive for him out of state money," he said.

"Now that's an example of what I've been telling you about," said Budd, "that for years the Democratic Party has been doing things to the people of North Carolina instead of for the people of North Carolina."

He said that another reason to vote for him besides his honesty and newness to politics would be to end the Democratic majority in both houses of the N.C.

Legislature, which further allows the machine to perpetuate itself.

Budd expressed concern for the energy crisis, and noted that he saved 20 gallons of oil, five gallons per tire, by retreading the tires on his pickup instead of buying new tires.

In his own small way, Budd said, by being in the retreading business, he felt he was helping to ease the energy crisis. If other Americans could also find ways to save oil, the overall effect would be great, he said.

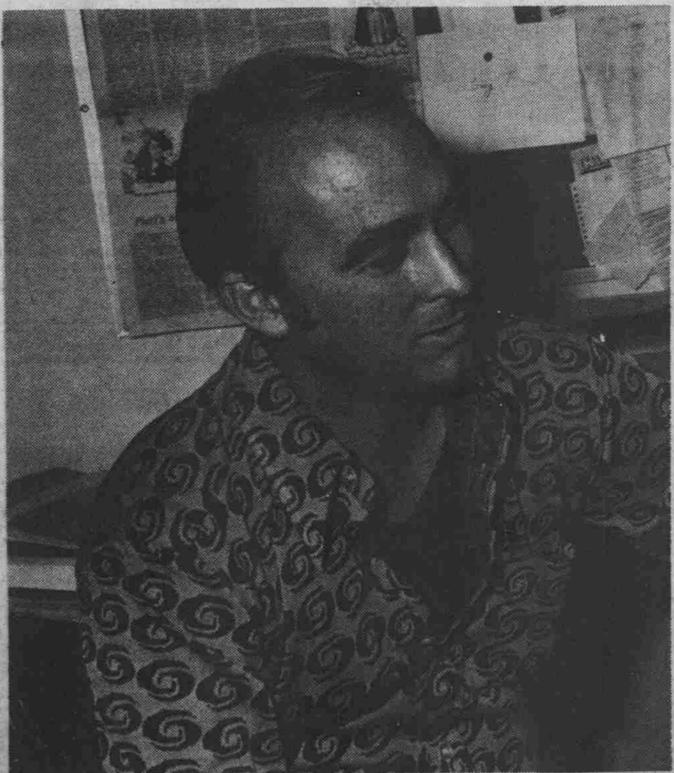
On other issues, Budd said, "Of course, I'd do away with the sales tax on food." But on the issues of the Equal Rights Amendment and capital punishment he was vague, saying that he would have to vote the way he thought the majority of his constituents felt.

On the Interstate 40 issue, Budd angrily criticized the Democratic Party for making political hay out of the issue, and said the route should be put in somewhere near Durham.

Overall during the interview, Budd's ideology and philosophy came across, much more strongly than the other three candidates. However, Budd did not venture into a deep discussion of the issues.

His theme seemed to be held in this statement: "I'm new at this, I've got a lot to learn, but I think the people want someone who will do what he thinks is right."

This is the last in a series of interviews with the four state Senate candidates. They will appear together on Oct. 30 at 8 p.m. in the Great Hall.



State Senate candidate Michael Budd says Raleigh needs new legislators