

The Daily Tar Heel

Chapel Hill's Morning Newspaper

Vol. 83, No. 66

Chapel Hill, North Carolina, Thursday, November 21, 1974

Founded February 23, 1893

U.S. suit demands breakup of AT&T

by Gene Carlson
United Press International

WASHINGTON—The Justice Department demanded in court Wednesday that American Telephone & Telegraph Co., the largest privately owned corporation in the world, be ordered to break up its giant communications network.

The biggest antitrust suit ever filed in U.S. District Court also charged Western Electric Co. Inc., which manufactures most of AT&T's equipment, and Bell Telephone Laboratories Inc., with monopoly.

It accused the three defendants "with combining and conspiring to monopolize, attempting to monopolize and monopolizing the telecommunications service and equipments market," and asked the court for "substantial divestiture."

The suit will take at least three years to come to trial, legal experts estimated, and it could take much longer than that to exhaust

all legal appeals and recourses.

Meanwhile, in New York, AT&T expressed astonishment at the action and said it "could lead to fragmentation of responsibility for the nation's telephone network."

"If that happens telephone service would deteriorate and cost much, much more," he said, expressing confidence the company has violated no antitrust laws and declaring that the action "represents an attempt to change through the courts what has been national policy for six decades."

Justice officials declined to predict that rates would be lowered for telephone users if the government wins its case, but they said the public interest would be served in other ways, such as allowing freer access to various kinds of telephone equipment by consumers.

Trading of AT&T stock was suspended on the New York Stock Exchange at 3 p.m. EST Wednesday until 10 a.m. EST Thursday at the direction of the Securities and Exchange

Commission.

The lengthy complaint included charges that the Bell System had obstructed attempts by smaller telecommunications firms to connect with it and had steered equipment purchases to Western Electric, AT&T's wholly-owned manufacturing subsidiary.

The suit symbolizes a tougher approach toward anti-competitive and monopolistic practices by the Ford administration than was practiced in President Richard M. Nixon's term. Ford already has asked Congress to approve stiffer penalties for anti-trust convictions as part of his 31-point economic program.

However, Deputy Assistant Attorney General Keith Clearwaters denied that the decision to file the case now had anything to do with the change of administrations.

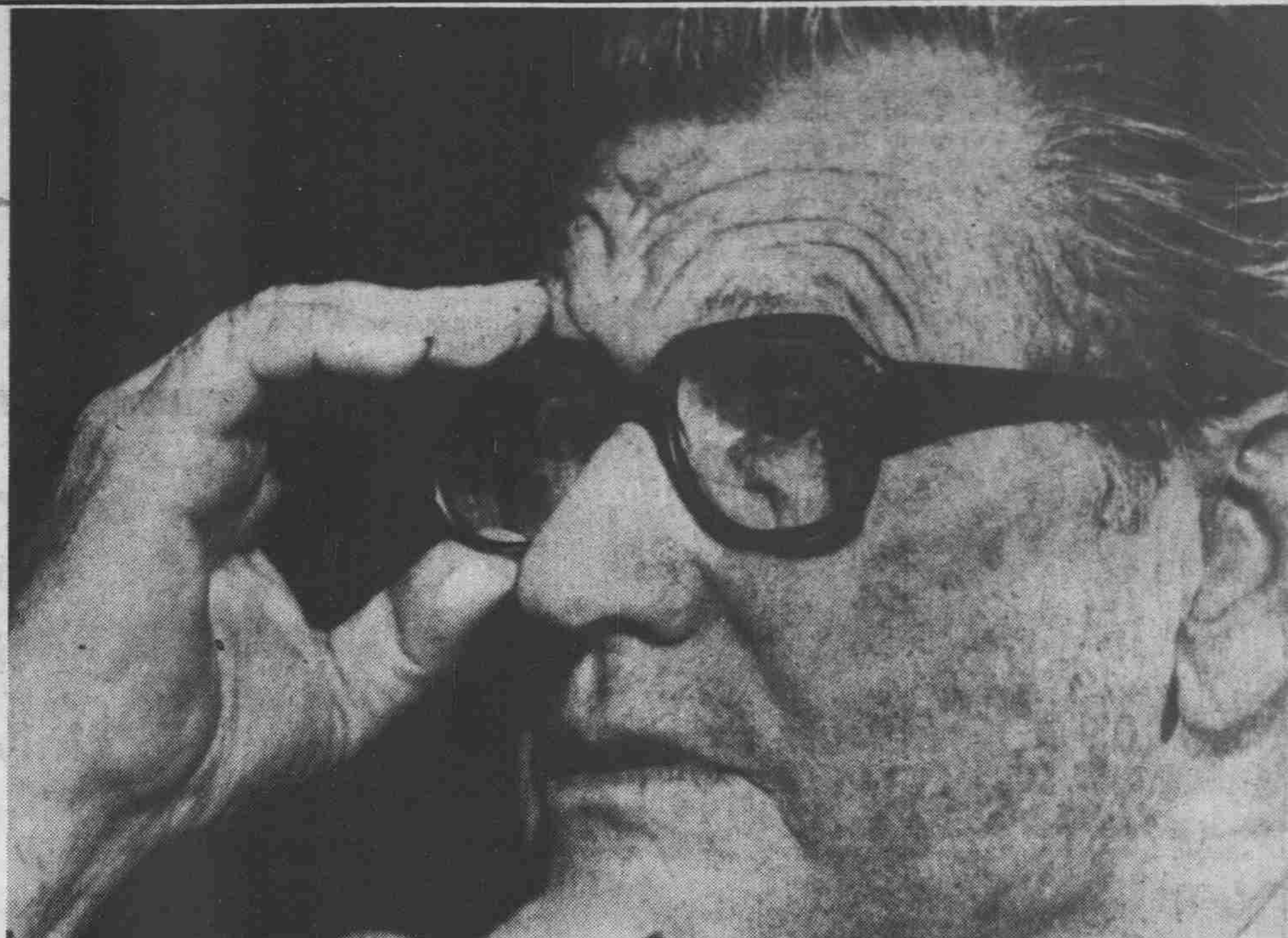
AT&T has assets of more than \$67 billion and along with its subsidiaries, supplies more than 80 per cent of the nation's telephones. Through its long lines department, AT&T handles, at least in part, more than 90 per cent of all interstate telephone calls in the United States.

The government asked the court to order AT&T to divest itself of Western Electric, and further to break up that subsidiary into two or more competing firms if necessary to assure competition in the manufacture and sale of telecommunications equipment.

If Western Electric, with 150,000 employees, assets of about \$5 billion and profits of more than \$300 million, were made an independent company separate from AT&T it would rank as the 10th largest corporation in the nation, a company spokesman said.

Western Electric is the main supplier of equipment to AT&T and its operating companies. It refuses to sell to competitor phone companies, although Bell companies are allowed to buy from other suppliers.

The third defendant, Bell Laboratories, is the nation's largest industrial research organization and conducts design and development projects for the Bell System.



Rockefeller testifies before Senate Rules Committee Sept. 24. His confirmation as vice president now seems likely.

Rocky's approval likely

by Clay F. Richards
United Press International

WASHINGTON—The chairman of the Senate Rules Committee said today the panel will recommend Friday that Nelson A. Rockefeller be confirmed as vice president.

Chairman Howard Cannon, D-Nev., told reporters after a brief meeting of the committee that the panel's vote on Friday will be favorable.

But Cannon said a full Senate vote will come after Thanksgiving to give

members a chance to read their report. Democratic leader Mike Mansfield said Tuesday he hoped the vote could come before the Thanksgiving recess.

"I think the Senate will vote to confirm Mr. Rockefeller, based on what we know now," he said. "There has been nothing new that has come up to affect our decision."

He said the committee vote recommending Rockefeller may not be unanimous because a few members may not want the nomination reported favorably.

"But I have said that unless something new comes up I will vote favorably, and all four Republicans will do likewise, so it will be favorable," Cannon said. The committee is comprised of nine members.

Cannon said he has been working closely with House Judiciary Committee investigators "and they say there is nothing they have that we are not aware of" that is damaging to Rockefeller.

The House begins hearings on the Rockefeller nomination Thursday.

Servomation gets Henry's approval

by Ted Mellnik
Ass. News Editor

Union director Howard Henry, who recommended last spring that Servomation Mathias Inc. not be allowed to continue operating UNC's food franchise, has indicated he now believes Servomation's service has improved and they deserve to stay.

UNC's Food Service Advisory Committee appeared to be unanimous in agreement during its meeting Wednesday.

Food service director Robert Greer expressed confidence in Servomation's ability to please the UNC community but said the financial growth characteristic of Servomation's first four years on campus may not be continued this year, especially in the case of Chase Hall.

"On the basis of performance to date I think Servomation should continue," Henry stated in a Nov. 14 letter to auxiliary enterprises executive director James Branch. "The improvement in housekeeping over a year ago is very much in evidence, and this has been true throughout the summer as well."

"The table cleaning has improved in the same way," Henry said. "I have received fewer gripes about food."

Last April, Henry led the Union board of directors to adopt a resolution which read in part:

"It has repeatedly come to the attention of the... board... that Servomation Mathias is... serving poor quality food, preparing the food inadequately, providing poor customer service and maintaining an unattractive dining area..."

Although only five of the 12 food committee members were present at the meeting, those present indicated they and their absent comrades were pleased with Servomation's improvements.

"We believe—and I think I can speak for the University administration, the vice chancellor and chancellor for business—that Servomation has met the requirements for improvements, that their contract should be renewed and that they should be so informed," Branch said.

Student committee member Dan Besse said he knew the views of the absent members, and they favored renewal.

"By and large, I feel confident in saying our service has improved and meets students' needs better than ever before," Greer said.

Although the committee appears to be resolved to recommend renewal of Servomation's contract, a formal recommendation will not be made until

January, Branch said. In the meantime, the committee asks students to register their opinions on the renewal with the Student Consumer Action Union (933-8313) or Dan Besse (933-1567).

Some of the changes required by the University for Servomation to keep its contract have apparently affected Servomation's financial situation on campus.

This year for the first time, the number of students purchasing a mealplan has not increased. This decrease has probably been caused by higher mealplan prices made necessary by the adoption of a dollar-limitation policy and the preparation of more expensive food, both required by the University, and rising raw food costs.

Chase Hall, which depends on mealplan customers for about 90 per cent of its business, will realize a sizeable deficit, \$17-20,000, during the current fiscal year, Greer estimates.

Chase has never been a profitable facility. During its first year on campus—1970, Servomation's deficit at Chase was about \$40,000, but in the last three years, thanks to University-paid renovation, Chase managed to break even.

The Union Snack Bar's cash volume is not about \$3,000 a week less than last year's, Greer said. Most of this difference is being deposited in the Union's new vending machines, but since those machines are operated by Triangle Coin Caterers, Servomation's profit has declined.

The Pine Room, however, seems to be doing better than ever, with an increase of about \$4,000 weekly cash volume over last year. Greer attributes this increase to improvements in the Pine Room's atmosphere.

Dealers optimistic about winter fuel supply

by Laura Toler
Staff Writer

There won't be a fuel shortage this winter if the weather is mild and federal oil allotments are not reduced, area oil dealers say. Nevertheless, consumers will have to pay almost double last year's fuel prices.

"We hope we're going to have enough," H.D. Bennett, manager of Bennett & Blockside Inc. on Franklin Street, said Tuesday. "The situation looks better at the moment, but it depends on the type of winter we have. January and February are the hardest months."

During the past three years, the Federal Energy Administration has regulated the monthly distribution of fuel oil to dealers on the basis of their sales in previous years. Last year the monthly allotments were adequate—but that was during a warm winter.

In the past year, fuel oil and kerosene prices have almost doubled due to shortages. Bennett said his company's prices per gallon are 37.5 cents for fuel oil and 40.4 cents for kerosene—a 10 to 15-cent increase over his prices at this time last year.

Frank Macon, manager of Carrboro Service Store,

said Tuesday fuel oil and kerosene prices have increased 80 to 85 per cent during the last 18 months. Fuel oil now sells at the Carrboro store for 35 cents per gallon; kerosene costs 38.5 cents.

But if customers can pay, Macon thinks his store will be able to supply. "If our sales and deliveries don't exceed last year's, we'll have all the fuel we need."

Durham dealers also reported adequate supplies and price increases. John Knott, an employee of Bull City Oil Co., said his store is selling fuel oil at 37.3 cents per gallon compared to 22 cents at this time last year. The store's kerosene, priced at about 23 cents per gallon last year, now costs 40.3 cents.

Andrews Oil Company in Durham has had to raise prices since the fall season began. Fuel oil has gone up from 36.4 to 38.4 cents per gallon; kerosene is up from 39 to 41.4 cents per gallon. But despite the recent price increases, Andrews is having no problems with short supply. "We're on a quota, but I don't think there will be a shortage this winter," the wife of store manager W.E. Andrews said Tuesday.

Only Dewey Stone, manager of Kenan Oil Co. in Carrboro, said his prices this year are cheaper than last

year's. Fuel oil at Kenan sells for 37 cents per gallon; kerosene costs 39 cents per gallon. Stone joined the other dealers, predicting there would be no shortages this winter, although he said they were possible.

"My situation has eased a little," reported one local oil dealer who wished to remain unidentified. The government has increased his oil allotment, but the dealer said bad weather and imposition of government controls could nullify the gain.

"If they put strict allocations on us with no prior word, we may have to work under dire circumstances," the dealer said. "But if we can work at our own discretion, we can do much better."

Consumers have been helpful by trying not to use as much fuel, the dealer said. "My customers and I have a good understanding: 'I'll have it as long as you don't waste it.'"

Of the five dealers contacted, only Bennett & Blockside Inc. will definitely refuse to serve new customers this winter. Two dealers weren't sure whether they'd have to turn consumers down, one said he will serve everyone he can, and one said he certainly isn't crusading for more business.

All traffic violators will be sent letters

by Vince Wheeler
Staff Writer

University students, faculty and staff with unpaid traffic or parking citations that amount to several thousand dollars will soon receive letters from the University Traffic Office urging them to pay the fines.

Campus Security Director Ted Marvin said Wednesday the letters are now being written and will indicate the number of citations and fines owed. Individuals will have 10 days from the letter date to pay. He said the fines should be paid, by cash or check, to the traffic office in the YMCA basement.

Students who do not respond, Marvin said, will have charges added to their accounts and their grades, transcripts, and records will be held. Fines will be deducted from the paychecks of employees who do not respond.

The University is authorized, under Art. IV, Sec. 4-1 of the University Traffic and Parking Regulations, and under state

statutes, to charge student accounts and deduct pay from faculty and staff Marvin said.

He said the traffic office will notify the University cashier of unpaid student accounts before the end of fall semester and will send payroll deduction forms for unpaid faculty and staff fines to the payroll office in late December.

"The purpose of collecting fines," Marvin said, "is not to get more money, but to show that the University has made a serious commitment to solve its traffic problems. If the new parking set-up is to work, it must be enforced, and collecting the fines is accental to that enforcement."

Art. I, Sec. 1-8 of the University Traffic and Parking Regulations requires all money collected from parking fees and traffic violations be placed in trust accounts. Money from these trusts is to be used to develop, maintain and supervise parking lots; to provide bus service on campus and for the University community; and as a pledge to secure revenue bonds for parking facilities.

Parade today

PI Kappa Alpha's "Beat Dook" parade will be held at 3 p.m. today starting in front of Carmichael Auditorium. Parade Grand Marshal John Yesulattis, Marching Tar Heel Band director, will lead the parade down Franklin Street.



A broken gilded gate lies open to the silent guardians of a family plot in the cemetery behind Connor dormitory