

The Daily Tar Heel

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Weather: clear

Bouncing checks: Chapel Hill merchants' \$25,000 a year liability

by Johnny Oliver
Staff Writer

Although imprisonment and loss of credit rating are possible consequences of overdrawing a checking account, approximately \$25,000 in bad checks are written in Chapel Hill each year, according to the director of the Chapel Hill-Carrboro Merchants Association Check Recovery Department.

"Writing bad checks is a misdemeanor in North Carolina," recovery department director Andy Landes said. "I would say 99 per cent of those charged are convicted, and roughly one-third of those are repeat offenders."

"A conviction involves more than a criminal record," he said, "because the bad check stays on the person's credit record for seven years."

If a person is convicted in Chapel Hill's criminal court, he must cover the check, pay court costs of \$25 and pay a subpoena charge of approximately \$2 if witnesses are called to testify.

A conviction in civil court involves the check cost, court costs, legal costs for the plaintiff and a \$5 service charge for the merchant.

Landes noted that only about a dozen cases have gone to court since the recovery department started five months ago. "When called to court,

most people plead guilty and pay the magistrate," he said.

Since its establishment, the department has been asked to collect money for approximately 750 checks from its 75-member businesses. Most of the checks were passed at retail stores, many having been written two years ago, Landes said.

When a merchant received a bad check he will probably attempt to redeposit it, Landes said. If the bank returns the check to the merchant again, he will then send the bad check writer a returned check notice, provided by the recovery department.

The notice informs the check writer

that he has 72 hours to cover the check before it is turned over to the check recovery department.

"Students react to the notice at a better rate than others," Landes said. "About 50 per cent of the students notified respond to the first notice."

"Some students don't get notified within the 72-hour period because they fail to have the correct address listed on the check."

Upon receiving a bad check, the recovery department sends its own notice giving the check writer another 72 hours to pay for the check and the penalty.

When the recovery department

collects on a bad check, a \$9 penalty charge is added, payable with the check to the recovery department. Also, most banks have an additional charge of \$5 or \$6.

"In most circumstances, if the department is not notified in four to seven days, a collector will be sent to the person responsible for the check," Landes explained. "If they don't respond to the merchant's notice, only about five per cent respond to the department's notice."

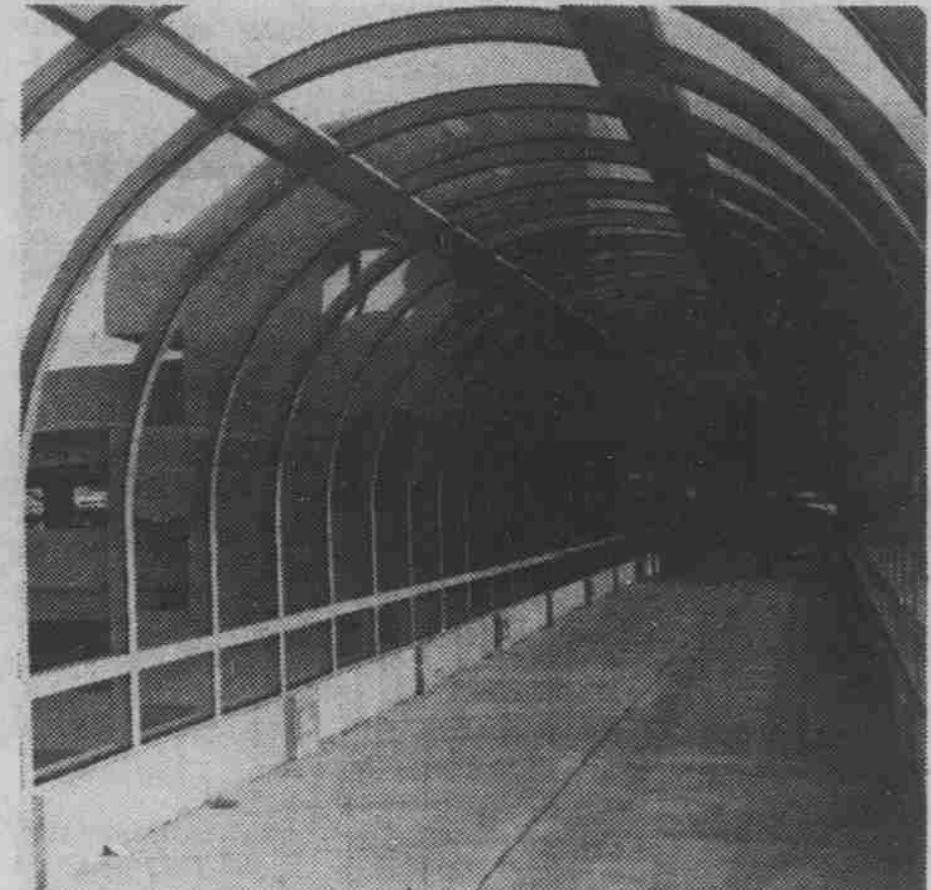
Landes said persons who are not caught are registered with national credit bureau associations.

If a check remains unpaid after a visit

from the collector, then the recovery department returns the check to the merchant for possible court action.

"Our basic overall goal is to reduce the number of bad check writers," Landes said, "as I spend a lot of my time working with merchants on their check acceptance procedures. I think the merchants are doing the students a real favor by using the check recovery department rather than going to court."

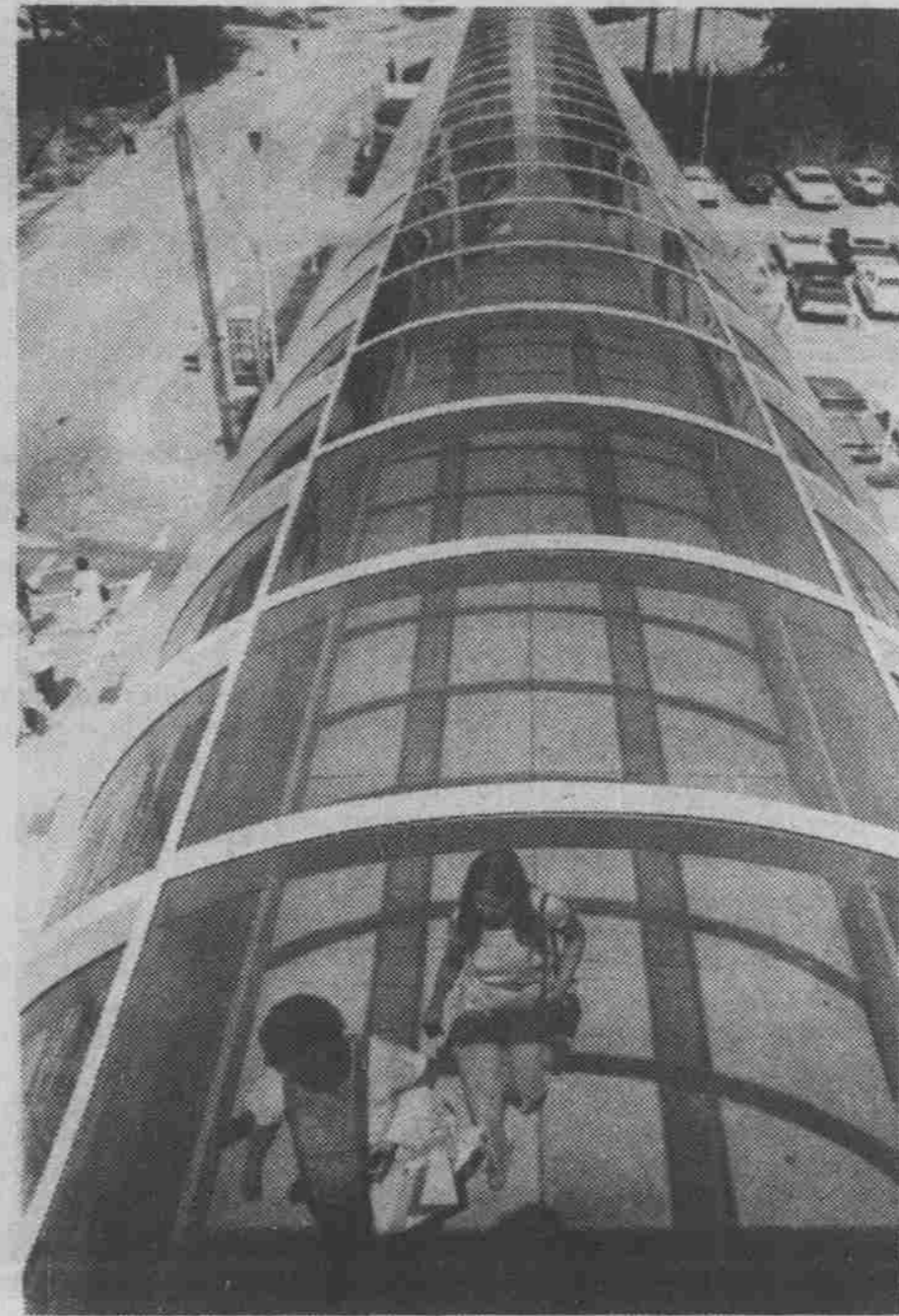
Landes said he thinks people often write bad checks because they are under stress. "I've checked this out through actual experience," he said. "A bad check is one of many ways in which one can rebel against society."



Staff photo by Kevin Ryan

Inside and out

Not visions of futuristic architecture, these photos catch two views of the covered walkway leading from the new South Campus parking deck. The walkway provides access from the parking deck across Manning Drive to North Carolina Memorial Hospital. The parking deck itself is four stories tall and is reserved for hospital patients and visitors.



Staff photo by Charles Hardy

Committee refuses 'DTH' fund release

by Art Eisenstadt
Staff Writer

The Campus Governing Council (CGC) Finance Committee voted Tuesday to endorse the actions of Student Body Treasurer Mike O'Neal in determining how much of the *Daily Tar Heel's* Student Government fund appropriation should be released at this time.

By doing so, the committee rejected a Media Board recommendation made earlier in the day that half of the newspaper's remaining appropriation for this year be released immediately.

The committee also voted to establish a four-member task force to examine the newspaper's operating procedures and financial condition.

Before the Finance Committee took action, chairperson Bill Strickland withdrew a bill he had introduced earlier in the meeting which would have immediately released the newspaper's entire Student Government appropriation.

A second provision of the bill would have barred the *Daily Tar Heel* from ever again receiving Student Government funds.

Strickland charged that the DTH had been uncooperative in its dealings with Student Government law and with O'Neal in particular.

The committee's action to endorse O'Neal was not in the form of a bill, which would have been subject to CGC approval and amendments. Rather, the committee voted to recommend O'Neal's plan to release the paper's Student Government funds in monthly installments.

O'Neal said he will determine the amount of each installment following a monthly meeting with DTH Business Manager Reynolds Bailey based on the *Tar Heel's* estimated incoming revenue from other sources for the coming month.

"This is the only sensible, businesslike way to handle the problem," O'Neal said.

Unless the DTH funds question is raised again at next Tuesday's full CGC meeting, the committee's action closes the issue of how the paper's allocation should be released this year.

A bill directing any or all of the funds to be released immediately could still be

introduced on the CGC floor, but only if two-thirds of the members approve.

The *Tar Heel* receives \$29,500 of its \$219,000 budget from Student Government. In order to pay for its first several issues of the semester, before advertising and subscription revenue was collected, Bailey requested \$13,000 of the paper's Student Government allocation.

O'Neal originally agreed to release \$3,900 of the paper's allocation. He subsequently agreed to release an additional \$2,500 after the paper encountered cash flow problems.

The Media Board resolution, passed earlier in the day, would have immediately released about \$10,000 for the paper's use.

Student Government treasury laws require organizations within its budget to requisition funds against a cash balance before entering into business transactions.

O'Neal said the *Daily Tar Heel* was depending too much on its accounts receivable (uncollected bills), and warned that some of the accounts could turn out to be bad debts.

"In raw numerical terms, the accounts receivable may not be undeniably high," O'Neal said Tuesday. "What I'm concerned about is what kind of accounts receivable they are."

In order to study the newspaper's finances and recommend a new operating procedure to prevent future cash flow problems, the committee voted to create the independent study force.

The group will consist of CGC member Doug Smith, Media Board member Bill Moss, a graduate student or faculty member from the School of Business Administration and a second professional member from either the faculty or the business community.

All the task force's activities will be closed to the press until after it has issued its final report, due 45 days after its first meeting.

An article in the bill creating the task force, which must be approved by CGC before it becomes law, would replace a similar commission set up by the Media Board earlier in the day.

However, Media Board member Rob Price said he is not sure whether the CGC has the authority to supersede the Media Board task force, which was to have included three board members and three faculty members from the Schools of Business Administration and Journalism.

"They have set up the Media Board to be in charge of these publications," Price said. "For them to step in and make the decisions for us is to negate the decisions of the board."

Student Body President Bill Bates said he did not foresee any problem in abolishing the original task force. "The Media Board is actually a subsidiary of CGC," he said.

Media Board chairperson Dick Pope could not be reached for comment Wednesday, although he appeared to endorse the Finance Committee's bill establishing the study group Tuesday.

Sanford — a giant killer?

Must beat Wallace to be taken seriously

A News Analysis
by Richard Whittle
Staff Writer

"The scenario goes like this," says one Democratic Party worker. "Sanford enters the New Hampshire primary and gets between 10 and 15 per cent of the vote. He sits out the Florida primary."

"Then, having shown people here he can get votes in other parts of the country, Sanford beats Wallace in the North Carolina primary, gets his 'giant-killer' name-tag and becomes a serious contender for the nomination."

Whether or not this suggested scenario follows exactly the route mapped by former North Carolina Gov. Terry Sanford and his supporters in his try for the 1976 Democratic presidential nomination is hard to say.

Sanford campaign workers don't claim it outright. But neither do they categorically deny it.

However, many political observers do agree that to become a leading candidate for the nomination, the former N.C. governor must beat George Wallace in the N.C. primary next March.

Sanford must win here for two reasons. First, the campaign is his second attempt at the Democratic nomination. He sought the nomination in 1972, when students urged him into a hasty campaign which lasted only a few weeks and ended with his defeat by Wallace in that year's N.C. primary.

That defeat, coming by a margin of approximately 15 per cent of the vote, was and remains an embarrassment to Sanford supporters here. As a rule-of-thumb, a candidate who can't carry his home state can't be considered serious, so if Sanford wants to be taken seriously elsewhere, he has to beat Wallace here.

Second, Sanford must win the nomination in North Carolina because he is suffering a malady common among many Democratic presidential hopefuls—lack of name identification across the nation.

George Wallace, however, is known throughout the United States. What's more, he has emerged as a real cloud over the heads of those members of the Democratic Party who dislike the things he stands for but would very much like to get some of the widespread support he has shown he can deliver.

A win in the N.C. primary could thus put Sanford's name in headlines all over the U.S. and simultaneously win new friends among liberal Democrats.

Since the number of delegates chosen in North Carolina is relatively small, the

primary has received little attention in the past.

However, next year, the primary will assume added significance, since the date has been moved from May to March. Early primaries are often looked to as gauges of the political inclinations, and this year the N.C. primary will be the fourth in the nation.

Sanford campaign officials are optimistic, at least outwardly. "This is Terry Sanford's time," said William R. Henderson, a former member of Sanford's gubernatorial administration who is now coordinating Sanford fund-raising efforts in North Carolina.

"I have been up and down and across this state and I am completely convinced that we will decisively defeat the candidate who took our primary in 1972," Henderson added.

James R. Turner, former Democratic Party chairperson of Guilford County and another Sanford fund-raiser, also said his candidate will win the state's primary. "Sanford is going to come in second in New Hampshire. And I think he's going to sweep the N.C. primary, and then North Carolina is going to be a much better place to live in," Turner said, explaining that he thinks the Wallace victory here in 1972 has given the

state a "backward" image.

The confidence shown by Sanford workers seems genuine, but it is not totally shared by those outside the official campaign ranks.

Jane Patterson, Guilford County Democratic Party chairperson, gave a more conservative estimate of Sanford's chances in next year's showdown with Wallace.

"I think he (Sanford) has a chance of either beating Wallace by one point or coming within two or three points in North Carolina," Patterson said. Two potential roadblocks to a Sanford sweep of the state are his well-publicized fund-raising problems and the former governor's recent absences, she said.

Sanford has been in at least 21 states in the past three months, and recently visited the Soviet Union for talks with leaders there.

Another political observer recently noted that the candidacy of former Georgia Gov. Jimmy Carter could also present problems for Sanford.

New Hampshire holds the nation's earliest presidential primary, followed close by Florida, the earliest Southern primary.

Please turn to page 2

Taylor answers Bates' charges

by Vernon Loeb
Staff Writer

In a letter sent to Student Body President Bill Bates on Tuesday, UNC Chancellor N. Ferebee Taylor expressed the desire to keep open lines of communication between his office and Student Government and "to be informed of the problems and concerns of students."

The letter came in response to statements made by Bates at a Friday press conference, which charged that the UNC administration is a large and unyielding bureaucracy.

Taylor criticized Bates' handling of the allegations against the administration, saying, "... problems do not get resolved by the rhetoric of press conferences."

"Rather," Taylor continued, "problems get resolved when men and women of good will try, first of all, to identify them as precisely as possible and, then, to resolve them as constructively and responsibly as possible through an application of clear thinking, rational discussion, and purposeful effort."

"If you wish to engage seriously in this kind of endeavor — to the end that this be a

better place to live and work, to teach and learn, to achieve and accomplish — I will be pleased to see you join in this worthy enterprise."

Bates said Wednesday, "It remains to be seen how much that letter meant just as it remains to be seen how much my press conference meant."

He also said he never declared war on the administration but on the bureaucracy which students are forced to live under.

The administration is made up of individuals while the bureaucracy is a body of policies, many of which are now antiquated, created by those individuals, Bates said.

Bates said he declared war on the bureaucracy with the hopes of working with the administration to change it.

His press release read in part, "It is time we waged war on this stultifying bureaucracy — and that includes taking on every administrator, faculty member, or student who stands in the way of increasing the responsiveness of this University."

Bates said he was very pleased with the attitude of Dean of Student Affairs Donald

Wanted

The *Daily Tar Heel* needs photographers. Any student interested in becoming a staff photographer should come by the *Tar Heel* office between 4-6 today, Thursday or next week and ask to speak to Martha Stevens, head photographer, or Joyce Fitzpatrick, graphic arts editor.

Gerry Cohen, a Chapel Hill alderman and 1975 graduate of the UNC law school, announced Wednesday his candidacy for mayor in this year's municipal elections.

Reading from a prepared text at a morning press conference in the Chapel Hill Municipal Building, Cohen said, "Because I understand the problems (of Chapel Hill), and because I think I can provide leadership to deal with them, I will be a candidate for mayor in the November 4 elections."

Cohen said he expects a controversial campaign, which will bring attention to problems and proposed solutions. Issues he said he will focus on include transportation, recreation and day care.

In a question and answer session following his formal statement, Cohen said he has not asked for an endorsement from outgoing Mayor Howard N. Lee, but said he would be pleased if Lee were able to support him.

Lee, who has been mayor of Chapel Hill since 1969, has announced he will not run for re-election and is considering seeking the state lieutenant governorship.

Cohen said he hopes to support himself if elected to the mayor's post, by taking on part-time legal work. He recently passed the state bar examination and expects to be licensed as an attorney soon.

But he said he would spend the majority of his time conducting the responsibilities of the mayor if his campaign is successful.

"The mayor's job has become a full-time one, even though we pretend it's not," Cohen said. "The current salary of \$5,000 is obviously not a full-time salary." He added that he thinks the Board of Aldermen should give strong consideration to increasing the mayor's salary.

Cohen said that, although he sees the need to make the mayor's job a full-salaried position, he continues to support the town manager form of government in Chapel Hill.



Staff photo by Charles Hardy

Chapel Hill mayoral candidate Gerry Cohen

"In Chapel Hill I don't think there's any way you could have an elected administrator, nor do I think the citizens desire one," he explained.

The 25-year-old alderman said other issues he expects to deal with during his campaign are housing, recycling, cooperation between various local governments and increased power of local neighborhood groups.

Cohen has been a resident of Chapel Hill since 1968, when he entered UNC as an undergraduate. He received a B.A. degree in political science here in 1971 and graduated from the law school last May.

Elected to the Board of Aldermen in 1973, his term will expire in 1977. He is currently vice-president of the local chapter of the North Carolina Civil Liberties Union, a member of the national lobbying organization Common Cause and of the Democratic Socialist Organizing Committee.