



Bert Lance, director of the Office of Management and Budget, resigned Wednesday; President Carter said, 'I think he's made the right decision.' Lance remains convinced that he could continue to manage effectively the OMB. File photo of the President by David Dalton; Lance photo courtesy of TIME.

BERT LANCE RESIGNS; SAYS 'MY CONSCIENCE IS CLEAR' IN LETTER

CARTER UNHAPPY

WASHINGTON (UPI) — President Carter, his voice choked with emotion, announced Bert Lance's resignation Wednesday, saying his close friend and budget director decided independently to step aside and "I think he's made the right decision."

In a televised news conference delayed two hours so Lance could compose his farewell letter, Carter acknowledged some of the allegations against Lance were true, but placed much of the blame on the "extraordinary standards" his administration has tried to set.

Although the President said he agreed with Lance's decision to return to Georgia after eight months in the administration, he paid strong tribute to the 46-year-old banker and said he considers him irreplaceable. He did not name a successor immediately.

Lance, in a letter Carter read at the news conference, said his conscience remains clear and he still feels he could be an effective budget director.

But, noting the continuing controversy surrounding his name, Lance said: "I have to ask the question: At what price do I remain?"

"I am convinced that I can continue to be an effective director of the Office of Management and Budget," Lance said. "However, because of the amount of controversy and the continuing nature of it, I have decided to submit my resignation as director of OMB."

"I desire to return to my native state of Georgia."

Said Carter:

"Bert Lance is my friend. I know him personally as well as if he was my own brother. I know him... to be a good and an honorable man... nothing that I have heard or read has shaken my belief in Bert's ability and integrity."

Carter said Lance's resignation was "a courageous and also a patriotic decision... I don't think there is any way I could find anyone to replace Bert Lance who would be as competent, as strong, as decent and as close to me as a friend and adviser as he's been."

"His replacement will be adequate, of course... But I don't think I can find anyone to truly replace him."

Lance has been under intense pressure to resign for several weeks to resign for several weeks due to allegations stemming from his years as a Georgia bank executive. He acknowledged incurring large bank overdrafts and other problems.

But he denied trying to hide his past from the Senate committee which recommended his confirmation as budget director in January and he said he never used political clout to get the federal government to close investigations of his activities.

Carter said Lance did a "superb" job of defending himself in three days of testimony before the Senate Governmental Affairs Committee last week and "he was able to clear his name when he testified."

Carter said he had met with Lance for 45 minutes Monday and "I told Bert I thought he had exonerated himself completely... and asked him to make his own decision" about resigning.

University radio station continues to broadcast

By BERNIE RANSBOTTOM
Staff Writer

WXYC continued normal broadcast operations Wednesday after receiving a vote of confidence from the Campus Governing Council (CGC) Tuesday.

The radio station had considered going off the air if such a vote was not passed.

The CGC passed a resolution recognizing Student Educational Broadcasting, Inc. (SEB) and its bylaws Tuesday, a move which virtually grants autonomy to WXYC under SEB's control.

The resolution came after nearly six hours of Media Board and CGC meetings on WXYC's proposal to become an autonomous organization, separate from the Media Board, under the control of SEB.

The Media Board voted earlier Tuesday to table WXYC's proposal for autonomy, pending consultation with a lawyer specializing in communications law.

Disagreement between WXYC and the Media Board has centered on the station's contention that it is operating illegally if the Media Board controls the station's budget and the appointment of its general manager, while SEB retains programming and editorial control.

Federal Communications Commission (FCC) regulations, which govern the licensing of radio stations, require that a single incorporated body control budget, programming and editorial decisions.

WXYC Chief Engineer Paul Matthews told the CGC that the station would be forced off the air at midnight Tuesday if a resolution recognizing SEB and its bylaws was not passed to avoid the possibility of broadcasting illegally.

"With that vote of confidence, we've taken it as authorization to stay on the air and we'll continue on the air," said David Madison, WXYC business manager.

"The position of the station was

precarious," Madison said. "We were right on the razor's edge; if the CGC had laughed or if they had voted to table us again, we would have gone off the air and potentially damaged this station."

The CGC had voted earlier during its meeting to table an additional budget request by WXYC until its meeting next week.

The CGC resolution "urges the Media Board to resolve whatever conflicts exist between its bylaws" and those of SEB.

"It's unfortunate that the CGC got

themselves into a position where it could be coerced by WXYC," said Patty Turner, Media Board chairperson.

"In the Media Board meeting they were threatening to close down that evening and we had ascertained that it was not necessary for them to do so," she said.

Turner said WXYC's request for autonomy at the Media Board meeting was tabled because of other pressing business regarding the *Yackety Yack* and the manner in which WXYC sought the autonomy of SEB.

Students may get special permits for lofts

By AMY McRARY
and
MEREDITH CREWS
Staff Writers

A special permit system that allows lofts in dormitory rooms was approved Wednesday by a UNC Department of Housing committee.

The requirements will be compiled this weekend so committee members can study them.

Members must then contact Russell Perry, assistant director of housing for operations, before 2 p.m. Monday if they believe any changes are necessary. The policy will be sent to Director of Housing James D. Condie.

Perry said Wednesday Condie then may discuss the policy with Vice Chancellor for Student Affairs Donald Boulton. "And we may run it through the health and safety office," Perry said.

Under the new policy, any student who wishes to build a loft would complete a permit form and submit it to his or her residence director.

The student would be required to sign the permit form, stating that he understands and will comply with the regulations concerning the beds.

He must also sign a form releasing the University from any liability he might suffer as a result of having a loft.

The student then would have two weeks to construct his loft. At that time the bed would automatically be inspected by the University's maintenance supervisor.

If the student's loft did not comply with the regulations at inspection, he would be given another week to bring it up to standards. Another inspection would follow. If the loft is still deemed

unsafe, the student must pay the housing department to take his bed down.

When the loft is inspected, the maintenance supervisor will check to be sure it complies with the following rules:

- A ladder must be angled to bed level and permanently attached to act as a brace for the loft.
- The loft must be painted with fire-retardant paint. Perry said Tuesday the paint would be supplied by the Department of Housing.
- Four-inch nails are the minimum that could be used to support the lofts. Bolts are not required but are suggested.
- Four columns of a 4-by-4 inch width are required to support the structure. Two-by-four inch crosspieces are also required, and the structure for the loft itself must be a minimum of three-eighths of an inch.

Mattresses supplied by the Department of Housing will fit lofts of these dimensions, Perry said.

- The student must have headroom when using the bed.
- No nails or treated wood of any type are required.

"We will inspect the three lofts that have remained up," Perry said. "If they're okay, they can be left up for one year only, as there's no sense really in taking them down if they're safe."

"If they're not safe, they will have to be taken down."

If a student wished to use the University housing bed frame and elevate it using stilts, he must also follow certain regulations, the committee said.

The student must use angle iron or 4-by-4 inch plywood for the stilts. The stilts must be secured with U-bolt fasteners.

Jenne, Temple disagree on bus contract prospects

By HOWARD TROXLER
Staff Writer

The town of Chapel Hill and the University will probably reach an agreement over the terms of the bus contract for this year "within the next few days," Town Manager Kurt Jenne said Wednesday.

Jenne sent the latest version of the bus contract to Vice Chancellor for Business and Finance John Temple Monday.

"We'll probably execute the agreement within the next couple of days," Jenne said.

But Temple said Wednesday he is not completely satisfied with the terms of the contract. "I have reviewed the contract and am dictating back to Mr. Jenne the things in it that need to be modified," Temple said.

Temple said he wanted to be sure of the terms of the agreement before the University approved it.

One of the reasons the agreement has not been signed is a conflict over the night shared-ride taxi service. The University earlier this year refused to honor a contract agreement made this summer because the taxi service was not included in the agreement but was included in the final proposal.

The town has replaced night bus service with a shared-ride taxi service—a move Temple has said was not specified in the summer agreement.

"We want to know exactly what the contract is and what options we have if the night taxi system doesn't work out," Temple said earlier this week.

Chapel Hill Transportation Director Bob Godding told the Chapel Hill Transportation Board Tuesday night that

Chapel Hill has asked the University to give the taxi service a try until Oct. 31. After that time, the town will consider changing the terms of the taxi service.

The night taxi service was instituted by the town at the beginning of the semester on an experimental basis, Jenne said. Under the terms of the latest proposal, the taxi service will be re-evaluated several times during the semester.

"If the shared-ride taxi service doesn't work out, we're not going to bind ourselves to it," Jenne said.

The University balked at a finalized bus agreement earlier this summer, when the town asked the University to step up its subsidy to \$400,000 for Chapel Hill service. Under a compromise, the University agreed to pay \$366,000 for Chapel Hill service, plus a \$33,000 subsidy for the Carrboro bus route.

But Temple refused to finalize that agreement this fall when the taxi service was initiated, saying the service outlined in the contract proposal made in early August containing the taxi service "was not the same as what we had agreed to earlier."

Temple maintained that some sort of night bus service is necessary for students who travel back and forth from campus.

Temple now will send his review of the contract back to Jenne. The two officials said they will meet within the next few days to discuss any objections Temple may have to the latest contract.

Miller, Anheuser breweries wage war for number-one sales

By KEITH HOLLAR
Staff Writer

The war is on between the beer barons. Miller Brewing Co.'s assault on industry-leading Anheuser-Busch, Inc., has become so intense that Miller may topple Joseph Schlitz Brewing Co. from its position as the second-leading producer of beer in the United States. The battle also threatens the existence of the smaller producers, particularly the regional breweries.

"Miller is No. 3 in the country, but we very possibly could be No. 2 by the end of this year," said John Lamb, vice president of Lamb Distribution Co. in Durham, which distributes Miller beer to the Chapel Hill area. "If not this year, then next year," he added.

Miller began the attack on Anheuser-Busch in 1970 and intensified the assault with a massive advertising campaign last year. Anheuser-Busch retaliated with its own barrage of new brews and marketing techniques designed to retain its 20-year grasp on the No. 1 position.

The fight began when Philip Morris, Inc., the nation's second-largest cigarette manufacturer, bought Miller Brewing Co. and began to employ its marketing expertise and advertising muscle to sell beer. In just seven years, Miller has made an

unprecedented climb from eighth to third position in the beer industry.

In 1976, Miller increased its barrelage by 43 per cent while the entire beer industry grew less than 2 per cent, according to Lamb.

"Philip Morris did sink some money into promoting Miller beer," Lamb said last week. Including the purchasing cost, Philip Morris has spent approximately \$500 million to revitalize Miller. The massive cash outlays have resulted in soaring profits per barrel because of increased volume and productivity.

According to Lamb, local sales of Miller beers are up 70 to 80 per cent for the last year. Sales increases for the area Anheuser-Busch distributor, Harris, Inc., in Durham, are about normal. Company President Joe Harris said, "normal" is very substantial.

In addition, Chapel Hill retailers report that Miller beers are leading slightly in the sales race, followed by Anheuser and Schlitz products.

Marketing is Miller's forte. The company has concentrated on dividing the market into demand segments and providing products to satisfy each.

The company's first major breakthrough was in the area of packaging. When Miller introduced its 7-ounce bottle two years ago (standard size is 12 ounces), some believed the ploy was useless. But the skeptics' minds have been eased.

"People said Miller was a fool when they introduced the 7-ounce bottle," Lamb said. "But judging by the sales, I guess there are a lot of fools out there."

Miller's second brainchild was the introduction in January 1975 of Miller Lite, a low-calorie beer. Although not the original beer, Lite was the first heavily promoted beer of its type, and it turned out to be the most successful new beer in years.

With a barrage of ads directed at athletic-minded young males, Miller set out to clench the market for which its new product was designed. A year later, the company was selling approximately five million barrels of Lite annually, equal to its total beer production four years earlier.

"There was a market, and Miller went out there and got it," according to Lamb, who said sales of the new beer accounts for 18 to 20 per cent of his total beer sales.

Miller now is testing an even lighter beer, Player's, whose sales, Lamb said, are running ahead of Lite's when it was first introduced.

To counter Miller's advances in the sales of light beer, Anheuser introduced its own version, Natural Light, in February. The president of the Anheuser distributor for the area said the sales of Natural Light have been fantastic.

"It's selling better than we even anticipated," Harris said last week. "It's

probably the fastest-growing beer on the market."

Harris said Natural Light accounts a substantial and growing proportion of his total sales, and he credits it with claiming a share of Miller Lite's market.

Light beers may lack appeal to hard-core beer drinkers because their alcohol content is significantly lower than that of regular beers. For example, Budweiser, the nation's top-selling beer, is 5 per cent alcohol by weight. But Anheuser-Busch Natural Light is only 3.2 per cent alcohol by weight.

"Anytime you take out calories, you're taking out alcohol," Harris explained.

Still, the low-calorie beers have found sizable and growing acceptance among the nation's drinkers. Such brands are expected to take 6 to 7 per cent of the market this year, and possibly could account for 10 per cent or more of the sales in a few years.

After fragmenting the market with the introduction of new beers and packages, Miller set out to promote their innovations with a multitude of advertisements, particularly on television.

Not to be outdone, Anheuser stepped up its own advertising efforts to record-breaking levels; estimates are that the company's advertising expenditures will be up 60 per cent this year over the \$49 million spent in 1976.

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