

Sunny today with temperatures in the 50s and no chance of rain. Clear skies and warmer weather are predicted for the weekend.

The Daily Tar Heel

Serving the students and the University community since 1893

Today's Weekender looks at North Carolina's party and the Chapel Hill man who became its leader.

Volume 87, Issue No. 62

Thursday, November 15, 1979, Chapel Hill, North Carolina

News/Sports/Arts 933-9245
Business/Advertising 933-1183

PASS-FAIL COURSE REGISTRATION

SCHOOL: GENERAL COLLEGE, ADVISOR: Dr. JICHA () FALL SEMESTER
() ARTS & SCIENCES (X) SPRING SEMESTER
() OTHER YEAR: 1979

SOCIAL SECURITY NO. 642890300

YOUR LAST NAME (COMM) WALDHEIM FIRST NAME JOE MIDDLE NAME M

Local address: 214 E. Franklin Phone: 933-1111

Major or prospective major: English

Course name and number: Musc 41 Section number: 2 Control Number: 01031816

Number of pass-fail hours already taken: 6

Pass-fail time limit may be shortened

By GEORGE JETER
Staff Writer

The deadline for declaring a course pass-fail may be shortened to four weeks next semester, instead of the six-week declaration period that was used this semester.

The move is being backed by the College of Arts and Sciences and the General College, said Raymond Strong, director of the Office of Records and Registration. The two colleges contain about 75 percent of UNC undergraduates, Strong said.

Gordon Whitaker, assistant dean of arts and sciences, said the six-week decision period for taking courses pass-fail slipped by last year when the drop period was changed from four to six weeks.

The pass-fail deadline is linked with the drop period in Faculty Council legislation. When the drop period was moved to six weeks, the pass-fail

option automatically was extended.

But giving students six weeks to decide if they want to take a course pass-fail will "permit them to duck low grades," Whitaker said.

"Pass-fail was meant as a way to take exotic courses that a student would not normally take instead of serving as an escape hatch for low grades in required courses," Whitaker said.

The six-week pass-fail option also is being opposed because it does not give administrators enough time to compute grade point averages for graduating seniors, Whitaker said. "It (pass-fail declaration) has to be done by hand and we don't have the staff to do it and the graduating seniors list," Whitaker said.

The move to change the pass-fail option back to four weeks will be brought before the Faculty Council Friday.

U.S. holds Iranian assets; Vance, Waldheim confer

The Associated Press

President Carter froze billions of dollars of Iranian government assets in the United States on Wednesday as the conflict between the two nations escalated into what one official characterized as "economic and political warfare."

At the same time, the State Department took its hardest line yet toward the Iranians, insisting that students who seized the U.S. Embassy and some 60 American hostages must agree to release the captives before there could be any negotiation of U.S.-Iranian relations.

State Department officials announced Wednesday night that they were calling back two special envoys who had been trying since last week to meet with Iranian officials to seek release of the hostages.

Officials said former Attorney General Ramsey Clark and Senate aide William Miller were being brought home from Istanbul where their mission had been stalled for a week after Iranian leaders refused to talk to them.

The Iranians, meanwhile, accused the United States of airlifting paratroopers to the Persian Gulf region for a military operation to free the hostages. The report was denied.

Secretary of State Cyrus R. Vance flew to New York and conferred with U.N. Secretary-General Kurt Waldheim, who

has offered to mediate the crisis that erupted Nov. 4 when Iranian militants seized the U.S. Embassy, in which they hold 98 hostages.

Vance declined comment as he left Waldheim's town house after talks of slightly more than an hour. Before the meeting, he was asked about Iran's call for a U.N. Security Council meeting and said, "We have indicated that if the hostage question is resolved, then we're prepared to see the Security Council go forward and deal with the issues that anyone wishes to put before it, including the Iranians."

The Moslem militants holding 62 Americans and 36 third-nation embassy employees as hostages showed no sign of easing their stand—that the captives will not be freed until Shah Mohammad Reza Pahlavi is returned to Iran to stand trial for his life. The shah is undergoing treatment for cancer in a New York hospital.

They declared that any attempt to compromise on their "great divine move" directed by Ayatollah Ruhollah Khomeini "is strongly denounced by us and would be deemed treason," Tehran Radio reported.

While Iran said its assets in the United States totaled about \$12 billion, Treasury Secretary G. William Miller said the actual total was less than \$6 billion.

The biggest share, \$1.3 billion, is invested in U.S. government securities, he said, which makes the U.S. government

the largest single holder of the Iranian government funds.

Miller told reporters at a White House briefing that most of the remainder of the money is on deposit at various major banks in the United States, among them the Bank of America and Citibank.

Freezing the assets means the Iranian government can't spend them without U.S. government permission. Miller said the money will be frozen until Iran's debts in this country are settled.

Oil-exporting nations, led by Saudi Arabia, have invested a total of \$42 billion in the United States, by U.S. Treasury estimates. Some economists and members of Congress have speculated that a massive withdrawal of these investments could bring new woes to the dollar and the American economy.

That announcement sent the U.S. dollar into a quick tailspin on world money markets, a drop that might have continued had the U.S. government not acted.

The sudden decline in the dollar after the Iranian announcement served to indicate the fears might have substance.

Iran isn't the first nation that has had its assets frozen in the United States. Other nations whose assets currently are frozen are Cuba, Vietnam, North Korea and Cambodia. The United States and China only recently reached an agreement to release China's assets, which had been frozen since 1949.



Vance (above) and Waldheim ...discussed Iran crisis



Students seek loans; feel pinch of inflation

By JOHN DUSENBURY
Staff Writer

The number of students applying for federally guaranteed loans has nearly doubled this year compared to last year, a University official said recently.

"The volume of Guaranteed Student Loans has sharply increased as a result of inflation and the availability of student loans without respect to parental income," said William M. Geer, UNC student aid director.

Loan requests have jumped at universities across the nation, causing a stir among federal officials who are afraid the cost of administering the various loan programs is getting out of hand.

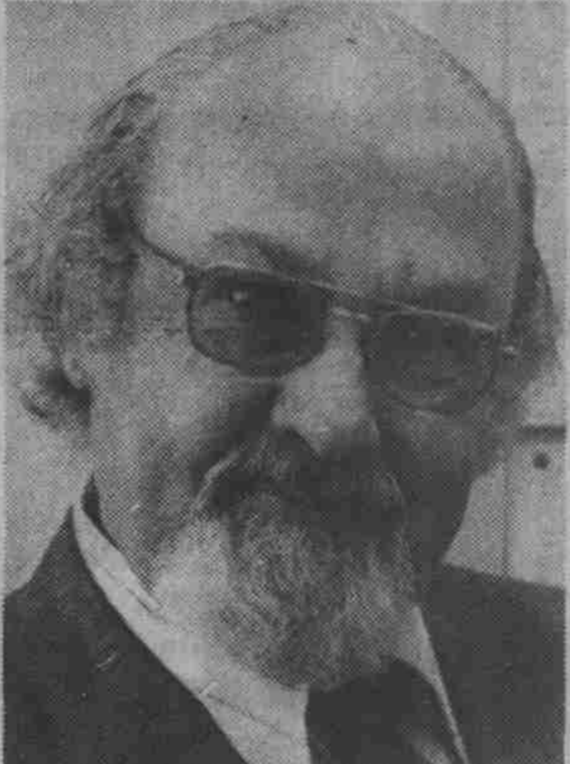
The volume of guaranteed loans jumped 35 percent during the first 10 months of fiscal 1979 over the same period in 1978, according to the U.S. Office of Education. Student are borrowing more and the amount of interest the government is having to subsidize while students are in college is

higher than ever.

Duffy Paul, executive director of College Foundation, Inc., a semi-private non-profit state lending agency, said the rising costs were due primarily to the Middle Income Student Assistance Act. Passed last year, the act removes the maximum annual family income of \$25,000 formerly required to be eligible for a federal loan. But the Office of Education has presented new legislation which would eliminate both the Guaranteed Student Loan program and the National Direct Student Loan program, Paul said. A proposed National Student Loan Bank based in Washington would replace the two campus-based programs.

Interest rates would rise from the 7 percent level of the GSL and the 3 percent level of the NDSL to the level of treasury notes, currently about 13 percent. This would, in effect, mean that the federal government would pay less interest while student borrowers would pay more.

"In North Carolina all post-secondary



William M. Geer

institutions, both public and private, have adequate funds for legitimate needs for the remainder of 1979," Paul said. "We do not know what the government funding situation will be for 1980-1981—recession, prime interest and inflation will be the main factors."

Paul said UNC students would face the same fate as students attending other institutions.

See SUBSIDIES on page 4

Grads to get extra ballot boxes

By THOMAS JESSIMAN
Staff Writer

The Campus Governing Council Tuesday night approved the addition of three ballot boxes in campus areas predominated by graduate students, a move which some council members felt would give the Graduate and Professional Student Federation an unfair advantage in an upcoming referendum to determine its financial future.

With a 7-7 deadlock in the voting, Jimmy Everhart, CGC speaker pro tem, broke the tie by voting for the addition of ballot boxes in Rosenau Hall, Kenan Labs, and Hamilton Hall. The boxes will be placed there on a trial basis until April.

"I think this is a very political bill and I really do not like the way it is timed with the referendum coming up, but it's only fair to get as many people to vote as possible," Everhart said after the meeting.

The graduate student vote had been a segment of the student population that in the past had been ignored, Everhart said. Roy Rocklin, president of the graduate federation, spoke in favor of the ballot box additions. "I don't see this as giving the graduate students an advantage over the undergraduates because the undergraduates will still have the power," Rocklin said. The particular issue involved in the election should not be a factor in deciding whether or not the ballot boxes should be added, he said.

If the referendum passes in a student election tentatively scheduled Dec. 4, the federation would be guaranteed 15 percent (approximately \$18,000) of all graduate student fees annually, freeing it from the responsibility of asking the CGC for money.

David Wright, CGC finance committee chairperson, said he did not like the fact that graduate student voting could increase by 100 percent when undergraduate voting would stay the same. If graduate students were going to receive added ballot boxes, then so should off-campus undergraduate commuters, Wright said.

Rocklin said off-campus commuters could always vote at a ballot box on North Campus, but many graduate students were restricted to their departmental building during the election day.

Tim Rafferty, CGC member of the student affairs committee, said he favored the ballot box additions because of their long-range effects. "It's not important that we are increasing graduate student votes if the result is a more proportionate turnout of undergraduates and graduate students," Rafferty said.

Rhonda Black, CGC spokesperson, voted against the additions of the ballot boxes. After the meeting she expressed dissatisfaction with the final vote.

"I'm disappointed that the council does not realize or had not concerned itself with the political significance of this bill," she said. "When a referendum is in the immediate future, it is just not the time to be setting up polling places, especially when the establishment of those polling places can significantly alter the outcome of the election."

"I have no doubt that the intent of this bill is not to mobilize the student vote, but to specifically mobilize the graduate vote for this referendum," Black said.

Rocklin, however, downplayed the political motives. "This will mean a fairer vote turnout for graduates and undergraduates," he said. "The purpose behind this is to bring the ballot box to the people and make it easier for them to vote. This is a step in the right direction."

Academia, Inc.

Gifts, grants, endowments help fight battle against mediocrity

By BEN ESTES
Staff Writer

• Fourth in a five-part series.

Students and the state Legislature foot much of the bill for higher education at UNC, but the University also relies on the love of alma mater, athletics and tax writeoffs to keep its coffers full.

"Development makes the difference between a good institution and what we would like to call excellence," said Charles M. Shaffer, director of the UNC Office of Development.

From his office in Steele Building, Shaffer works with the 14 development organizations on campus that raise money for everything from athletic scholarships to the botanical gardens. Without the gifts that are given to these organizations and to the University in general, Chapel Hill would be the home of a mediocre rather than an outstanding school, Shaffer said.

"As generous as the state is with its appropriations, we could not compete with private and other state institutions without development," he said.

In the last fiscal year (July 1, 1978 to June 30, 1979), gifts, grants and bequests to development organizations and the University totaled more than \$9.2 million. In addition, the University received more than \$56 million in sponsored research and training grants.

"It's the largest year we've ever had," Shaffer said. The University and development organizations took in \$1.3 million more than they did during the 1977-78 fiscal year. Shaffer attributed the increase in part to the success of a fund-raising campaign called the Carolina Challenge.

The Office of Development has been

focusing its attention on the Carolina Challenge, which has the goal of bringing the University's endowment funds to \$100 million. The Challenge began in 1977 "to maintain and advance Carolina's position among its peer institutions nationally and to enhance its educational leadership in North Carolina and the Southeast."

Since then, the development office has been working to secure gifts for the Challenge from faculty and staff, alumni, corporations and foundations. When it began the campaign, the University needed \$67.5 million to reach the \$100-million goal.

"We have reached a little over \$20 million as of this date," Shaffer said. "We hope to have raised another \$5 million by the end of the year."

While contributions from faculty, staff, alumni and other individuals make up about half of the money that has been taken in by the Challenge, grants from foundations and corporations have made up the other half. Sebastian C. Sommer, associate director of development, works with foundations and corporations that wish to give.

"It's a healthy percentage," Sommer said. So far, foundations have contributed approximately \$4.3 million to the Challenge. Corporations have contributed approximately \$5 million.

Corporations that contribute usually are those which have executives who are alumni,

recruit many of their employees from the University or use North Carolina as a major base for their operations, Sommer said.

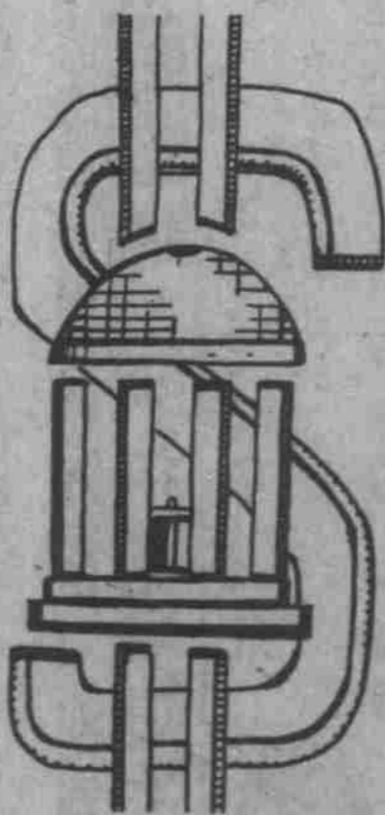
Although some corporations give directly to individual organizations, such as the business or journalism foundations, many give to the University in general in the form of grants to the Challenge. R.J. Reynolds Industries has granted \$2 million, International Business Machines has granted \$500,000 and North Carolina National Bank has granted \$275,000 to the Challenge.

Foundations also are giving to the Challenge as well as supporting more specific projects, Sommer said. The Z. Smith Reynolds Foundation of Winston-Salem has granted \$2 million and the William R. Kenan Jr. Trust of New York City has pledged another \$2 million to the Challenge.

Rather than working with gifts that will come in immediately, Assistant Director of Development Judson W. Ready is in charge of gifts that probably will not arrive in the near future.

"I handle those gifts from people who make commitments for the future, usually after their deaths," Ready said. Bequests, insurance policies, charitable remainder trusts and personal residences are examples of deferred giving, he said.

"My job involves working with the tax aspects of (deferred) giving," Ready said. These gifts can mean a substantial tax saving to the contributor. As an attorney, Ready said



©1979 Richard Rendles

Chem cookery

Double, bubble, Spagetti-O's in trouble... When hunger strikes a chemist, there's no need to run out for fast food, as this simmering, non-toxic concoction proves.

See FUND-RAISING on page 2