

Clearing

Clouds should be clearing today with highs in the 60° and low around 30. Wednesday will be sunny with high in the 60s.

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Play preview

The speech department will present the play 'To Be Young Gifted and Black' this week. For a preview, see page 4.

Transportation cuts

Federal aid decrease in Amtrak allocations

By SEAN DYER
Staff Writer

As a result of President Carter's proposed anti-inflation program, the Amtrak Corp. is expected to lose \$50 million in federal aid in the next fiscal year, a company spokesman said Monday.

Because of the funding cut, Amtrak either will have to shift its timetable for purchasing new cars or defer other scheduled equipment purchases, said Amtrak official John Jacobson.

The reduction in federal aid represents an 8 percent drop in the \$630 million the company receives annually through the U.S. Department of Transportation. The move will hinder Amtrak's ability to purchase new cars, which was hoped to help the railway's ailing service, Jacobson said.

Before Carter's inflation speech last week, Amtrak had approved the purchase of 125 new passenger cars and an additional 25 food service cars at a cost of \$150 million in order to accommodate an expected growth in ridership.

The Carter proposal is not expected to have a significant effect on current operation, but could slow the equipment modernizing process. The company expects its largest ridership increase in the Northeast.

Amtrak currently is spending \$2.5 billion on refurbishing its northeast corridor, serving passengers from Washington, D.C. to Boston. The corridor is responsible for 50 percent of Amtrak's national ridership, which increased only .1 percent in 1979 because of a 5 percent decrease in northeast corridor traffic, where extensive track work has limited service.

Amtrak was forced to cut 5,000 miles from its 27,000-mile network in 1979 because of mounting deficits and a congressional mandate. With recent federal backing, the company has begun expansion of corridor service connecting major metropolitan areas.

Congress has urged Amtrak to start work on 18 new corridors, including Washington, D.C. to Richmond, Va., Savannah, Ga. to Atlanta, and Atlanta to Nashville, Tenn.

"Congress is behind us 100 percent on the emerging corridors," Jacobson said of the 80-100 mph track that will be installed under the new system. "We feel the future is in corridor service as the need for transportation alternatives grows in the coming years," he said.

Amtrak's order for 150 new cars came as a solution to its aging fleet of trains, many of which were built during World

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Amtrak's Montrealer takes a turn of the tracks...the corporation is expecting a cut in federal aid.

Carter's program may affect town bus growth

By CINDY BOWERS
Staff Writer

President Jimmy Carter's proposed \$265 million cut in mass transit capital improvement grants could endanger plans for expansion of the Chapel Hill bus system, town officials said Monday.

The cut is part of an across-the-board budget slash proposed by Carter in a speech on the economy last week.

The funding cut probably would not cause a reduction in the town's current service level, since it would affect funding for the purchase of new buses and equipment, not operation assistance, Bill Callahan, Chapel Hill's assistant director of transportation, said.

But it could hamper planned expansion of the bus service, including a split of the crowded C-route in Carrboro that is planned for April, he said.

"I would say we would be hard pressed to expand (services) with a cut in funding," he said.

The grant cut would not affect two recently approved grants for 21 new buses for the town's system, since the cut is proposed for the fiscal 1981 budget, he said. Funding for 16 buses was awarded to the town in December, and another grant for five buses was

approved Friday, Town Manager Gene Shipman said.

But problems would arise when the town tried to obtain funds for more bus replacements Shipman said.

"We do have about 15 more buses that need replacement after (this year)," he said. "A reduction in funding would certainly have an impact on the town in that way."

Callahan said the 15 buses scheduled to be replaced next year could be used longer if necessary.

"The majority of our old fleet could continue to operate without problems," he said. "But we're running almost without spares. We run the risk almost daily that if a bus breaks down we might not have one to replace it with."

Of the buses now in use, 22 were built before 1960, Callahan said.

"These vehicles have a higher breakdown ratio," he said. "It's hard to get some parts for them."

The proposed cutback would make replacement of those buses almost impossible next year, Callahan said. Some other bus expansion plans that might be jeopardized by a reduction in federal funding include plans for service between Chapel Hill and out-of-town locations like Hillsborough, South Square Mall in Durham and the

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Zeta Psi member Andrea Martin gets carried away by pushy Winn Price in their enthusiastic drive to roll some contributions together for the Association of Retarded Citizens Monday. People who were stopped on campus by the sorority sisters were asked to go to the Pit where they could donate money to the organization.

Value of dollar rises

Gold prices drop; stocks record big loss

NEW YORK (AP)—The price of gold plunged below \$500 an ounce for the first time this year and stock prices recorded their biggest loss of 1980 on Monday amid expectations that President Carter's anti-inflation program could propel the economy into a recession.

But the prospect of higher interest rates helped the dollar on currency markets as foreign investors "bailed out of gold to get into dollars," a bullion dealer said.

Stock market analyst Larry Wachtel of the brokerage house of Bache Halsey Stuart Shields Inc. said overseas investors believe "this profligate country is finally coming to grips with reality."

But in the United States, Wachtel said, "there was a sense of anticlimax" on financial markets among observers who felt Carter's program does not go far enough to slow the nation's 18 percent-a-year inflation rate.

On Wall Street, the Dow Jones average of 30 industrials tumbled 23.04 points in light trading to 788.65. The loss was the largest for the widely watched stock average since it fell 26.45 points last Oct. 9, and the close was the lowest since the average stood at 23.51 on Dec. 18, 1978.

Bond prices rallied as stocks fell, reflecting anticipation that the Carter program would eventually

bring long-term interest rates much lower, but also would sharply slow the economy.

"It would be well enough to get out of gold now," said John M. Fraser Jr., senior vice president in charge of precious metals at Rhode Island Hospital Trust National Bank in Providence.

But "the gold market is anticipating the ultimate impact" of the Carter anti-inflation program will be felt "three to six months from now," said Fraser, whose bank is a major gold dealer.

Carter's "package has been better received abroad than in the United States. Given a chance, it could well do the trick," said a currency trader here.

The Carter program included steps to cut government spending, restrict bank lending and consumers' credit-card borrowing—moves many analysts believe could push interest rates past their current record levels and dramatically slow the economy.

Although top-ranked businesses are paying 18½ percent a year on loans at major banks, less credit-worthy businesses and investors face interest rates of 20 percent or more.

The dollar gained more than a cent against several major currencies and reached levels not seen in some cases for nearly two years.

Gold lost \$49 an ounce in London to close at \$477.50 and was down \$35 in Zurich, winding up \$489.00. The decline put the precious metal at its lowest price since just before last Christmas and erased the effect of January's gold rush, when the metal rose to a peak of \$875 an ounce on Jan. 21 in Geneva trading.

Bullion and currency dealers attributed the developments to the anti-inflation package introduced by President Carter and Federal Reserve Chairman Paul Volcker last Friday.

In Tokyo, where the business day ends before Europe's begins, the dollar closed at 249.425 yen, up from 248.750 yen Friday and close to its high in recent years.

The British pound, riding high for a year on the strength of North Sea oil, slipped in London to \$2.1870, down from Friday's \$2.2155.

Late dollar rates in other European centers, compared with Friday's late rates, and the last time the dollar was this high, were:

Paris—4.37625 French francs, up from 4.27925 June 18, 1979

Milan—872.625 Italian lire, up from 854.85 May 1978

London silver prices, which peaked at \$49 an ounce on Jan. 18, fell to \$20 an ounce from \$24.25 Friday.

STOW dwellers narrowly approve residence college

By LINDA BROWN
Staff Writer

Seven dorms voted Monday to accept a constitution changing their independent organizations into a single residence college.

Preliminary figures showed that residents of Spencer, Triad (Alderman, Kenan, McIver) and Old Well (Old East, Old West, Carr) voted 238-207 to accept the constitution and become STOW Residence College.

The idea for the conversion originated during a retreat last summer when some STOW leaders decided to propose a referendum to convert to a residence college. During the retreat they considered the options of converting to a residence college or a confederation or remaining independent organizations.

Residence Hall Association President Peggy Leight said about 680 people live in the seven STOW dorms. She said she thought there was a large voter turnout because of the publicity the STOW issue has received.

STOW residents had complained earlier that they were being told only of the positive aspects of a residence college. Some Kenan residents also had tried unsuccessfully to remove Kenan from the referendum.

Leight said some people may try to contest the election procedures through the Elections Board. She said, however, "Now, as far as it stands, the referendum has been passed and STOW is a formal area."

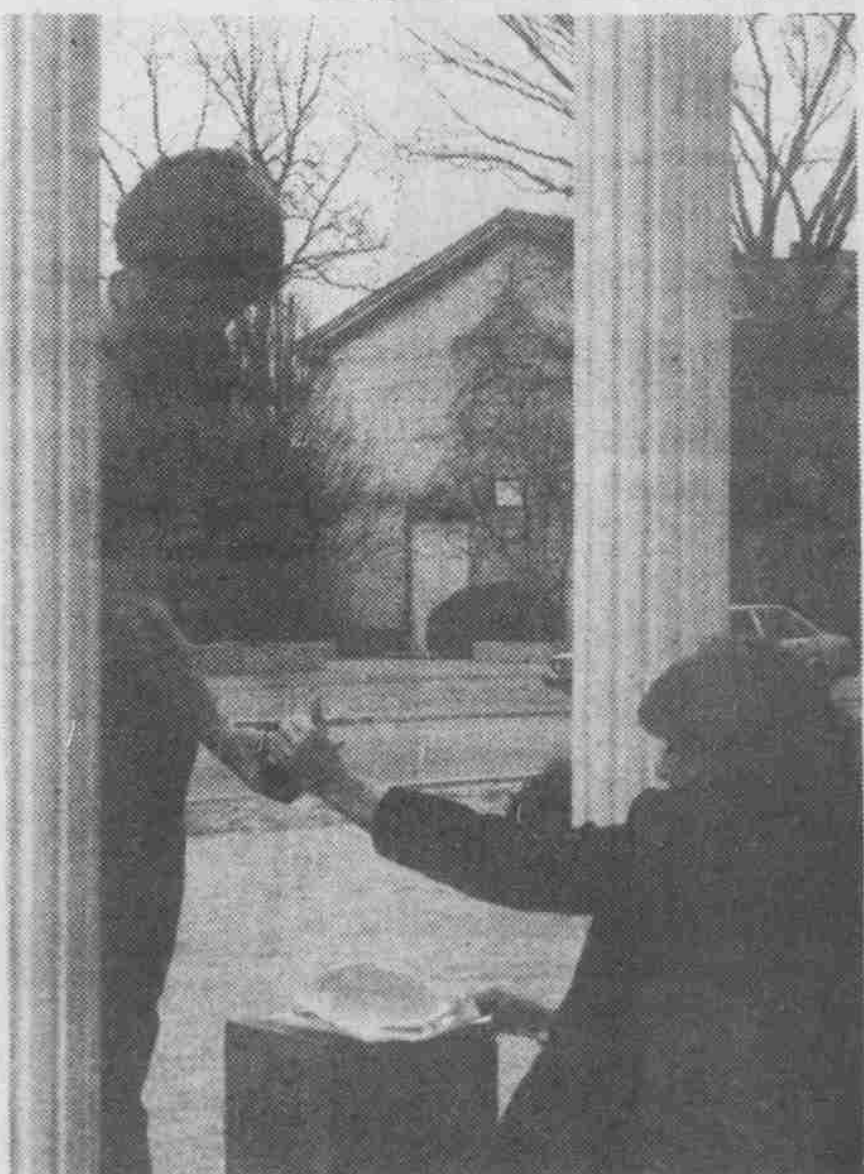
Debra King, president of Alderman, said, "I was very pleased with the elections; I hope that now that we are an area they (the people who opposed the residence college) will understand, and we can all work together."

"I'm sure there will be problems because there are always some that you have to work with, but I'm sure they can be overcome," she said.

Mary Jane Dickson, a resident of Kenan who had opposed the vote on the constitution, said, "I was sorry to see it pass, and I'm sorry that it passed by only 31 votes. I'd like to see a recount."

She said she thought the people at the counting in the Carolina Union should have been told to stand away from the counting.

"I'm sorry to see that those who were against it are now going to be in a residence college. I guess the people got what they wanted, but I question the way it was done," she said.



Old Well residents vote Monday...approved referendum 238-207

Fraser Ives, an Old East resident who also opposed the vote on the constitution, said that although he was disappointed in the way the voting turned out he thinks those who opposed STOW got one of their goals accomplished. "At least the efforts of the opposers forced the officers to get out and talk to the residents for a change," he said.

He said he also hoped the votes would be recounted. He was disappointed that the results could not be released from each of the individual polling places, he said.

Now that STOW is a residence college dorm leaders will plan for area elections of major officers. They will not start budgeting for its social fees until next year, when \$1.75 out of each resident's social fees is put into an area fund.

A STOW newsletter will also be developed. Next year's STOW residents will be responsible for any other programming changes.

Bomb threat suspects revealed

By DALE JENKINS
Staff Writer

University Police Lt. Charles Mauer released Monday the names of George Spencer Brown and Richard Cooper III as the students arrested in connection with a Thursday bomb threat in Hamilton Hall.

Brown and Cooper, both sophomores, are roommates in Hinton James Dormitory. They each were released on \$300 bonds the day of their arrest, Mauer said.

Their cases will be heard Tuesday in the Orange County District Court.

They will appear in the UNC Honor Court after their trial in district court.

Mauer said Brown and Cooper had no

earlier arrests on their records in the city of Chapel Hill.

Although this is the 26th bomb threat made at UNC this year, he said this case is the first in which suspects have been arrested.

An informant gave the University Police the suspects' names. "That is the only way we can catch them," Mauer said.

If Brown and Cooper are found guilty, bomb threats may decrease, Mauer said.

Making a bomb threat is a misdemeanor in North Carolina. Punishment for the offense is left to presiding judge's discretion.

The bomb threat interrupted a Zoology 11 exam in Hamilton Hall which was being administered by a teaching

assistant. Students had to evacuate the building for 20 minutes until an alternate site was found. They then completed their exams.

Although Cooper is in the class, Brown is not, Joann White, the course's professor, said.

White, who found out about the incident after she returned from Costa Rica Friday, said she had not decided yet what to do about the test. "I really put a lot of thought into the test, with the students in mind," she said. "I don't want to make up another one, because it will be unfair to the students who finished the test. Either way, it will be unfair to someone."

Neither Cooper nor Brown could be reached for comment on the incident.

BSM elects 1980 officers

By KERRY DEROGHI
Staff Writer

Freshman Mark Canady was elected Black Student Movement chairperson by BSM members Monday. He is the youngest chairperson in the organization's history.

Other newly elected officers are: sophomore Jesse Cureton, vice chairperson; freshman Quentin Eaton, secretary; junior Rochelle Tucker, treasurer; freshman Larry Ellis, minister of information; and sophomore Pauline McNeill, on-campus coordinator.

The new dorm representatives are: freshmen Allen Russell and Smith Turner for Morrison, freshmen Linda Brinson and Jennifer Dykes for Hinton James, freshman Sheila Miller for North Campus and freshman Thalia Bowen for Ehringhaus.

Canady, a business major and Morehead scholar from Lansing, Michigan, said he felt the BSM had played an active role in the University this year. He pointed out that in the Sonja Stone case the BSM actively opposed the University's decision in denying Stone's tenure. "Politically the Sonja Stone case was a big success, he said. "However, there were numerous cultural events as well."



BSM officers Jesse Cureton and Mark Canady...chairperson is youngest in history of group

Canady said he believed the major problems with the group this year were in its organization. "Some things could have been improved. The group was not as consolidated as it could have been," he said. "However, much of the criticisms the group received was due to ignorance. Not enough people understand what the group is for and its purpose."

One of Canady's major goals as BSM chairperson is the

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