

I'm winding
Mostly sunny today, clear
and windy. High in the 60s.

The Daily Tar Heel

Serving the students and the University community since 1893

Writing test

Writing test results posted
outside the 'DTH' office. All
new staff writers must meet
at 5 p.m. Wednesday, March
3 in the office.

Volume 90, Issue 103

Tuesday, March 2, 1982

Chapel Hill, North Carolina

The Daily Tar Heel 1982

News/Sports/Arts 962-0245
Business/Advertising 962-1163

Southern Bell collection methods probed

By JOHN CONWAY
Staff Writer

The North Carolina Utilities Commission began an investigation last week of the Southern Bell Telephone Company's Chapel Hill office following reports of alleged illegal debt collection practices.

Craig Stevens, director of the Consumer Services Division of the utilities commission, said the probe into Southern Bell's practices stemmed from a letter he received Tuesday from the UNC Student Legal Services. In the letter, attorneys from SLS requested an investigation into debt collection policies at the local office following two complaints from students.

The request from SLS attorneys Dorothy Bernholz, Mark Sternlicht and David Kirkman was prompted by two complaints of threats by Southern Bell to disconnect or withhold service from students because of outstanding charges with previous subscribers in residence with the students.

Gary Poole, a UNC senior, said he received a phone call from Southern Bell service represen-

tative Marilyn Jonas informing him that his phone service would be disconnected if his roommate's old bill remained unpaid. Poole was assigned a new roommate at the beginning of this semester, who had outstanding charges with Southern Bell prior to his residence with Poole. Jonas told Poole that the outstanding charges from his roommate's bill would be transferred to Poole's account, Poole said.

"That's just not fair," Poole said, who has had the same account with Southern Bell for three-and-a-half years without missing a payment. "I feel like they are making me liable instead of the person whose name the account was originally in. They (Southern Bell) end up harassing me."

In a similar case, UNC senior Darryl Johnson received a written notice during the 1981 summer session that his service would be disconnected if his newly assigned roommate had not made arrangements to pay the outstanding charges on his old account. The charges were later paid and service was not interrupted.

However, SLS director Bernholz said she was concerned about the legality of Southern Bell's practices.

A number of North Carolina General Statutes regulate the debt collection by monopolies and public trusts. N.C. General Statute 22-1 states that no person shall be made to answer for the debts of another unless he agrees to answer for it in writing, and Statute 75-53(1) prohibits the communication of another's debt to a third party. Collection of debts by unconscionable means is a violation of N.C. General Statute 75-55.

Stevens said there is a tariff that allows Southern Bell "to refuse to furnish service to any applicant desiring service for former subscribers of the company who are indebted for previous service."

A student's existing service may also be terminated if it is discovered that the indebted previous subscriber has access to the phone.

Stevens said he thought the phone company may have applied the provisions too liberally.

"They seem to apply it in many different situations," Stevens said. If Southern Bell refuses service to a student because of an outstanding debt with a third party, "they are over-stepping the tariff provisions," he said.

When questioned about Southern Bell's debt

collection policy, assistant manager of the Chapel Hill office Nancy Williamson said that in the case of an outstanding debt where the debtor is no longer a subscriber, the debtor is offered two choices: either permission is gained from the current subscriber to transfer charges to his account or an arrangement is made for a deposit on the debtor's account. If neither term is agreed upon phone service is disconnected, she said.

But neither Johnson nor Poole said they were offered a choice of settlement or asked permission to have charges transferred to their respective accounts. Poole said he was told the charges would be transferred if his roommate had not made arrangements for payment.

Southern Bell district manager Mike Carson promptly responded to SLS's inquiry into the matter with a letter to SLS attorney Kirkman. A copy of this letter was provided to DTH by Poole. Carson said he agreed with Kirkman that methods of debt collection such as in the Poole incident were improper.

"Southern Bell's collection procedures are quite clear on what is and is not permissible," Carson said in his letter.

Carson said he met with business office supervisors to discuss the proper collection procedures. Southern Bell's guidelines for collection include the following:

- Southern Bell cannot deny or disconnect or threaten to deny or disconnect a student's telephone service because of indebtedness of another person.

- It is improper for Southern Bell to discuss one party's indebtedness with another.

- Southern Bell does have the right to protect itself from potential loss of revenue on high risk accounts by deposits or letters of guarantee.

- Southern Bell does not have the right to imply that a subscriber must accept an installment billing arrangement or in any way be responsible for the payment of another's account.

Carson said he appreciated SLS's concern in the matter and that he was doing everything possible to eliminate similar future problems.

A copy of Carson's letter was sent to Southern Bell's home office in Charlotte, where the response will be examined and a statement sent to the utilities commission. The commission will decide whether or not action against Southern Bell is warranted.

Officials discuss future of tobacco

By KELLY SIMMONS
Staff Writer

Despite anti-smoking campaigns by the Surgeon General, the American Cancer Society and the American Lung Association, tobacco industry officials said recently they did not expect North Carolina's tobacco economy to suffer, nor did they expect an excise tax increase in the near future.

Although the federal excise tax on tobacco has not been increased in 30 years, the industry is still one of the highest taxed in the nation, ranking third behind gasoline and alcohol. In 1980, the federal government received \$2.4 million in excise taxes from tobacco.

"Considering that the tobacco program doesn't cost the taxpayer hardly anything, it actually generates a profit," said Keith Weatherly, spokesman for Sen. Jesse Helms, R-N.C. Helms is one of three congressmen opposed to a strong government campaign against smoking.

Weatherly said congressmen from states without a tobacco industry have pushed for an increase of the tax. "It's easy to criticize; they have their farm interests to protect so they criticize the tobacco program. When you turn against

their product, however, they don't understand," Weatherly said. He also said the first complaint people made about the tobacco program was that the government should not subsidize a product which was considered a health hazard. "In the first place, there is no government subsidy," he said, "and in the second, there has never been a proven correlation between health and smoking." A recent report on the effects of smoking, produced by the Tobacco Institute, backed Weatherly's statement, saying that there was no direct evidence that smoking caused cancer.

"Technically there is no medical proof of a connection between smoking and health," said Danielle Westphal, director of smoking education for the American Lung Association, "but when nine out of 10 people with cancer have been smokers, that is enough proof." Westphal said she thought tobacco products should be taxed more heavily. The average annual health cost of smoking to the economy was \$27 billion, she said. Of this amount, \$5 billion to \$8 billion was in health care expenses, and the rest in the cost of lost

See TOBACCO on page 2



DTH Suzanne Conners

The Lottery

Lotteries for all residence halls were held Monday. Joyner residents wait to see if their names will be drawn at Cobb Residence Hall Monday afternoon.



News Briefs

Reynolds blasts Voting Rights

WASHINGTON (AP)—The extension of the 1965 Voting Rights Act supported by civil rights groups and passed by the House would lead to a drastic upheaval of state, local and federal election systems across the country, Assistant Attorney General William Reynolds said Monday.

Reynolds, who heads the Justice Department's civil rights division, predicted that dozens of cities would be forced to elect minorities in direct proportion to their numbers among the electorate.

In North Carolina, 40 of the state's 100 counties are covered by the act. Civil rights leaders said Reynolds' testimony before a Senate Judiciary subcommittee was "misleading and irresponsible."

Investigation of Atlanta killings ends

ATLANTA (AP)—With the conviction of Wayne B. Williams in the slayings of two young blacks, police have closed the books on 21 other slayings in a 22-month string of killings, Atlanta Public Safety Commissioner Lee Brown said Monday.

A special task force created in July 1980 to investigate the cases will be disbanded next Monday, Brown said.

"Do you believe Wayne Williams committed 23 murders?" Brown was asked. "Yes, we do," said Brown, who made the announcement at a news conference with top law enforcement officers from federal, state, city and county agencies.

Leading indicators drop again

WASHINGTON (AP)—The broadest gauge of the nation's future economic health fell for the ninth straight month in January, indicating, in the words of Commerce Secretary Malcolm Baldrige, "that the recession has yet to run its course."

Deputy Treasury Secretary R. T. McNamar conceded in a speech Monday that the economy is still performing poorly and "the current downturn will be far worse than envisioned in our earlier scenarios."

The Commerce Department's Index of Leading Indicators dropped 0.6 percent in January and would have fallen nearly five times as much if officials had not deleted effects of a sharply reduced average workweek, a figure they said was distorted by severe weather.

Jaruzelski says Soviet aid needed

MOSCOW (AP)—Poland's martial law ruler, Premier Wojciech Jaruzelski, blamed U.S. sanctions for aggravating the Polish crisis and said Monday that Soviet aid is essential to solving his nation's "very grave" economic problems.

In a dinner speech after opening two days of talks with Soviet President Leonid I. Brezhnev, Jaruzelski described the Soviet-Polish alliance as "lasting and inviolable" and pledged that Poland will not be a "weak link" in the Soviet bloc.

But he said Poland needs more aid to bail out its economy, which owes an estimated \$26.5 billion to Western governments and banks. The Soviet Union has reportedly supplied millions of dollars in aid to Poland since Jaruzelski imposed martial law Dec. 13.

Vandenbergh makes changes

By DEAN FOUST
Staff Writer

With the presidential election and inauguration now in the background and the appointment process all but completed, Student Government is undergoing a period of reorganization under new Student Body President Mike Vandenbergh.

With all but one of the committee chairman appointments (to University Relations, announced by Monday afternoon) the executive cabinet will sport a much different look from past years.

Several of the committees have remained intact. University Relations, Housing, Academic Procedures, Educational Policy, Town Relations, Transportation, Student Services and Academic Advising will all continue as cabinet committees in the coming year.

However, there have been many changes in the structure of the cabinet. The services of two committees have been combined, one committee has been

eliminated, and another has been divided into two smaller, distinct committees. In addition, two committees have been created by the new administration.

The liaison program, created last year by former Student Body President Scott Norberg has been elevated to a cabinet position and will be reorganized and expanded, Vandenbergh said.

Vandenbergh first proposed the Student Employment Service Committee

during the campaign. The service, which may begin by late spring, will attempt to locate jobs for students who might have fallen victim to prospective financial aid cuts by the federal government.

Vandenbergh has also combined the State Affairs desk with the National Affairs desk, saying State Affairs hadn't been dealing with enough issues to justify a cabinet position.

The University Services Committee has

been divided into two committees, Scholarships, Aid and Student Stores and the Food Services and Health Affairs Committee.

"These two committees deserve more attention than they have received," he said last week. "There were too many issues in the past that were assigned to University Services."

See CABINET on page 2

Kool and the Gang cancel plans

By RACHEL PERRY
University Editor

Daryl Hall and John Oates have been confirmed for the 1982 Chapel Thrill concert, but Kool and the Gang has cancelled, Wes Wright, Chapel Thrill Committee Chairperson, announced Monday night.

Kool and the Gang cancelled its contract Wednesday, he said. "When we announced (on Monday, Feb. 16), we had a 99 percent confirmation from everyone in the Kool and the Gang organizations except the business manager, who was away in

Nigeria at the time.

"Then he returned and liked the idea, but then backed out Wednesday," Wright said.

Hall and Oates will be paid \$50,000 for their appearance, leaving about \$25,000 for the other two groups.

Chapel Thrill tickets will go on sale Wednesday, March 17. Limited advance student tickets will be sold at \$8.50 for two weeks or until all 10,000 are sold. Tickets will then be sold at \$10.50, and \$12.50 on the day of the show. Students will get "first crack" at the tickets; general public tickets will not go on sale until the following week, he said.

Mondale: Economy 'savaged' by Reagan

By KEN SIMAN
Staff Writer

Former Vice President Walter Mondale, on a fund-raising trip to North Carolina Monday, said President Ronald Reagan's economic policies have "literally savaged the American economy."

Mondale, speaking at a news conference in the Raleigh-Durham Airport, said as a direct consequence of the president's economic program, "we now will have the highest deficits in the history of our country, including wartime, and that grossly understates the magnitude of the deficit."

Mondale said his economic plan would have scheduled the tax cuts for Jan. 1, 1982 that are to take effect later this year. He said his plan would have repealed the planned 1983 tax cut, trimmed the

proposed defense budget, and demanded that the Federal Reserve Board ease its restrictions on credit.

In addition to condemning Reagan's economic policies, Mondale denounced the "so-called new right," which, he said, would "try to undermine traditional American moderate point of view. I think as time goes along, (the new right's) advice is going to be rejected," Mondale added.

Mondale, considered by many political observers as a likely candidate for the 1984 Democratic presidential nomination, said he would make a definite decision early next year. "I'm not trying to be coy. I'm obviously thinking about it," he said.

He spoke highly of N.C. Gov. Jim Hunt—"He'd make a good See MONDALE on page 2



DTH/Faith Quintavelli

Former Vice President Walter Mondale speaks Monday afternoon ...at Raleigh-Durham Airport before going to fund-raisers in the area