

Weather

Partly cloudy today with a 40 percent chance of rain late in the day. Variably cloudy tonight with a 60 percent chance of showers and lows near 40. Highs Saturday in the upper 40s.

The Daily Tar Heel

Women's B-ball

The 15th-ranked UNC women's basketball team squares off with 17th-ranked Maryland Saturday night. See story, page 5.

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Parties debate deficit reductions; politics may be the biggest hurdle

By VANCE TREFETHEN
Staff Writer

Economists and political observers agree the most controversial issue of the 1984 presidential campaign may be the record \$180 billion deficit in President Reagan's proposed fiscal 1985 budget.

An Analysis

President Reagan has called for bipartisan talks, and administration officials are suggesting closing tax loopholes, spending cuts, and waste elimination to reduce the deficit. But Democrats are suspicious of the bipartisan talks, fearing political fallout for themselves if suggestions for reducing the deficit prove unpopular.

Just as controversial as the causes and solutions to the deficits is the debate over what impact the deficits will have on the economy. Democratic presidential candidates are trying to maximize public awareness of the deficits as a possible source of economic problems in years to come. The Reagan administration is hoping that the present economic recovery will minimize, or at least postpone, the effects of the deficit.

Economists also disagree on what the high deficits mean for the economy. Some see it as merely a political issue without real economic impact.

"The Democrats say the deficits will have a chilling effect on investment and long-term growth," said Steven Rosefield, UNC associate professor of economics. They also say they (the deficits) will cause another recession. There is no compelling reason to believe that.

"There may be a cost in terms of long-term growth, but growth-retarding effects will not be substantial. They will be offset by price stability and maintenance of an acceptable burden of taxes. I see deficits as a way for the Democrats to raise fear in people's minds."

Rosefield is doubtful that Democrats are serious about wanting to cut the deficits.

The Democrats want Reagan to increase taxes so they can spend more," he said.

At issue is what effect the federal budget deficit has on the nation's economic well-being. A large deficit forces the government to compete with firms for the available funds needed for expansion. The increased demand for money then forces in-

terest rates higher, many economists believe.

"It is not the deficit per se; it's the spending and tax policies behind them," said UNC economics professor Richard Froyen. "If we had tighter fiscal policies, higher taxes and lower spending, we'd have lower interest rates," he said.

"When interest rates are high, the value of the dollar is kept high. That tends to discourage investment and exports."

Froyen sees political approaches to solving the deficits as similar in goals but different in priorities. "The Democratic candidates will probably be calling for a combination of tax increases and spending cuts by fiscal years 1986 to 1987. The President will be vague until after the election about what he will do" he said.

But Froyen believes Reagan will have to resort to some mix of tax increases and spending cuts to balance the budget, although the ways he would accomplish these will differ from what congressional Democrats would recommend.

"The Democrats will try to rescind Reagan's tax cut and cut the defense budget. President Reagan will try to cut social programs," he said.

One line of thought is that the budget deficit so

far has not been harmful to the U.S. economy — a definite plus for Reagan. The economic danger would come only in the long run, if interest rates remain at their present levels or if they rise.

Maurice Lee, Boshamer Distinguished Professor in the UNC School of Business Administration, warns that unless the deficit is reduced, unemployment and interest rates will climb.

In his latest quarterly publication, "Economic Commentary," Lee wrote that the economic impact of the deficit so far has been minor. Excess production capacity existing in the economy caused by the 1981-82 recession has minimized the effect of the deficit.

"Up to the present time, these massive federal deficits have been tolerated by the economy because it has had considerable excess capacity," Lee wrote in the Winter 1984 issue released Tuesday. "The government, following closely along the path pioneered by the New Deal, has also been able to stimulate output and reduce unemployment and increase the number of workers employed."

But in future years, Lee sees the deficits harming the economy primarily by causing high interest

rates. "That deficit constitutes one of the primary reasons interest rates have remained so high throughout the recession and early stages of the expansion. ... They (high interest rates) have strengthened the value of the dollar in world markets to a degree that would have seemed unbelievable a few years ago. Such a high-priced dollar has all but collapsed our export markets. It has, at the same time, produced a massive increase in imports. This negative trade balance coming so quickly and so massively, has serious consequences for the domestic economy."

Ed Friedman, an economist at Chase Econometrics, a Pennsylvania-based forecasting firm, agrees that deficits will lead to dangerously high interest rates. But he doubts that they will hurt President Reagan politically.

"I don't think the deficits will matter to the voters," he said in a telephone interview this week. "When you have low inflation and low unemployment, people aren't going to be that concerned about the deficit."

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Moslem militia assault positions

The Associated Press

BEIRUT, Lebanon — Shiite Moslem militiamen overran key Lebanese army positions Thursday on a highway entrance to Beirut in the first ground assault in the civil war since Christmas.

In the mountains overlooking Beirut, Syrian-backed Druse militiamen battled the Lebanese army.

Lebanese police said five people were killed in Beirut and three in the mountains. They said 54 were wounded, including a French soldier hit by shrapnel. Spokesmen for Amal, Lebanon's largest Shiite militia, said at least one of its fighters was among the dead, and 25 were wounded. There was no word on Lebanese army casualties.

At midnight, after 12 hours of fighting, the army said it had regained control of St. Michael Church and two adjacent checkpoints that control the Galerie Semaan gateway to Beirut's southern suburbs. Amal claimed it still held the positions.

The checkpoints control the Beirut-Damascus highway.

Army units and Syrian-backed Druse fighters traded long-range artillery and rocket fire for a second straight day in hills above the U.S. Marine base at Beirut's airport.

Marine spokesmen said their base was untouched by Thursday's hostilities.

However, Capt. Jean-Yves Blouin, spokesman for the French contingent of the multinational force, said one French soldier was "slightly wounded in the left arm and leg" by an artillery shell that crashed near a French position in the southern suburb of Tayoneh.

The Amal militiamen charged about 150 yards from their positions in the south Beirut neighborhood of Chiyah to dislodge the Lebanese army from the St. Michael Church and adjacent checkpoints, said spokesmen at Amal leader Nabih Berri's Beirut office. They declined to be identified.

Western Reporters who went to Chiyah just before sundown said army shells were slamming into the Galerie Semaan highway intersection at a rate of one every 15 seconds.

The Shiite militiamen had captured an army armored personnel carrier, and were firing machine guns and rocket-propelled grenades from abandoned high-rise apartment buildings toward army positions about 500 yards away.

One Shiite militiaman screamed, "We are fighting for Khomeini." Many Lebanese Shiites have pledged allegiance to Ayatollah Ruhollah Khomeini, Iran's Islamic revolutionary patriarch.

Ambulances raced with wailing sirens to and from the battlefield. Beirut radio

stations blared warnings to people to stay indoors as the staccato bark of machine guns and the roar of artillery echoed through the city.

Thousands of families in Chiyah, and in Christian neighborhoods across the "green line" that divides the capital's Moslem and Christians sectors, huddled in basements and bomb shelters.

It was the first major confrontation between Amal and the army since government troops dislodged militiamen from pine woods a butting the Chatilla Palestinian refugee camp more than a month ago. That three-day army offensive followed an abrupt withdrawal of French forces from several positions in the area on Christmas eve.

The Voice of the Mountain radio station of Druse leader Walid Jumblatt's Progressive Socialist Party hailed the taking by "nationalist forces" of the army positions on the Galerie Semaan highway.

The Druse, a secretive sect whose creed is based on Islam, are allied with the Shiites in the civil warfare against the Lebanese army and rightist Christian militiamen of the Phalange Party.

Police said Druse gunners in the mountain ridge east of Beirut fired volleys of rockets from multiple launchers Thursday into east Beirut's Christian neighborhoods of Hazmieh, Sin el-Film Dikwaneh and Mekalles, as well as the eastern suburbs and the port area.

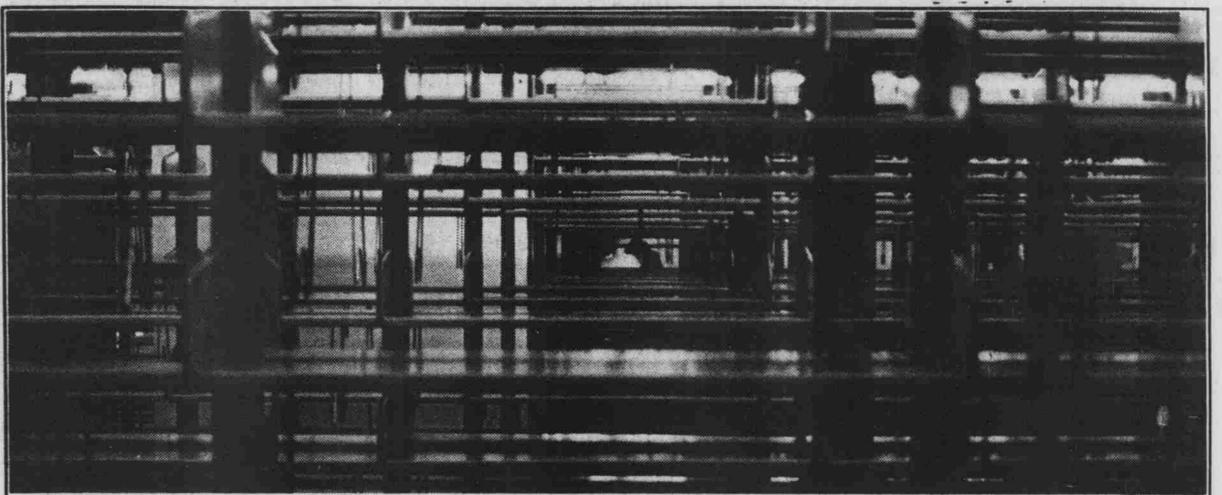
As the artillery duels intensified at nightfall, rockets also slammed near President Amin Gemayel's palace in suburban Baabda, five miles east of Beirut, and in the Christian suburb of Hadath where the British contingent of the multinational force is based, police said.

The British base was unaffected, British spokesmen said. The United States, Britain, France and Italy provide troops to the multinational force that has been in Lebanon since August 1982.

The bombardment later spread to population centers along the 12-mile stretch of the coast north of Beirut's Christian sector, police said. No new casualty reports were available. Army-Druse artillery duels the previous night killed nine people, police said.

In Damascus, the Syrian capital, U.S. Ambassador Robert Paganelli attended part of a conference between Jumblatt and Syrian Foreign Minister Abdul-halim Khaddam, and then held a separate two-hour meeting with Jumblatt alone.

No statements were issued after the meetings, but sources close to Jumblatt said the talks focused on ways to end the steadily worsening hostilities in and around Beirut.



Rows of shelves stand empty in Wilson Library after workers moved the books to Davis Library. Thursday was the last official day of operation for Wilson, though about 200,000 books will remain there. Davis will open Monday.

Library workers say they will miss Wilson's charms

By AMY BRANEN
Staff Writer

Walking through the barren stacks of the Wilson library was a nostalgic experience Thursday for most people who have worked there. Now that Wilson is in the final stage of the move to the new Davis library, many people are discovering they will miss the history and mystique associated with it.

Except for the Rare Book Collection, the North Carolina Collection, Manuscripts and Southern Historical Collection, and the maps and Photographic department, Thursday was the last official day of operation for most of the library. About

200,000 lesser-used books will remain there and can be paged through Davis library.

Many of the employees reflected about the move to the new facility.

"I can't say I'm looking forward to the move, because I love this building," said Cliff Jones, a library assistant. "The new building is bright, though, but it's going to be quite different. This is where I started out, as a high school student. I've been working here about 24 years."

"I'll be very glad when the move is over," said Mary Ishaq, head of Humanities reference. We'll have a lot more space in the new library. But I'll miss the elegant old beauty of the humanities room with

its beautiful high ceiling and columns. It's a pretty room. I'll also miss my colleagues who will be remaining in this building." Ishaq has worked at Wilson for 15 years.

October Ivins, a library technical assistant, said, "The move has been a big adventure. The new library is clean and spacious, but I'm going to miss our windows. I will not miss the dust."

Some of the newer employees said they really didn't have that much attachment to the old building and were ready to move into Davis.

"I like that new building," said Beth Mullaney, an

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Late-night entertainment

UNC Student TV program to air next week

By JIM ZOOK
Staff Writer

With the hope that this will be a sign of things to come, UNC's first-ever "Late Nite" television entertainment program will be broadcast over Village Cable's Channel 11 next Wednesday night at 11 p.m. by UNC Student Television.

"Our goal is to open students' eyes to what this television medium has to offer," said Walt Boyle, co-chairman of STV.

Thanks to help from Village Cable and the student television station at Duke University, the newly formed student station will be able to air this one-hour program that promises a wide variety of entertainment with something for just about everyone. Featured guests will include fashion designer Bill Blass, some UNC athletes who are contenders for spots on America's 1984 Olympic squads, a UNC student who was featured in Playboy's "Girls of the ACC," two "Men of the ACC" from UNC, "Candid Camera" interviews of students and a few other surprises that Boyle said were in the works.

At least 50 students from UNC and about 12 from Duke are involved in putting together "Late Nite,"

which will be taped Monday night in Village Cable studios.

Students from Duke are handling the production and editing of the show, while UNC students are taking care of the writing and coordinating chores, Boyle said.

The show will be similar to another late-night show that is popular among UNC students.

"It will come across as being like the David Letterman show," he said. "Duke's host has done this several times. He's sort of a David Letterman personality, very spontaneous."

Late-night entertainment is not the only program that Duke students can enjoy on their station. In its eight-year existence, the station has grown to a staff of 260 students and has produced an array of shows.

"Duke has some great programming," Boyle said. "They have Late Nite every Tuesday night, a show on dorm cooking, a news show with campus and national news, an exercise show and a sports show." He added that the station sometimes broadcasts Duke athletic contests live that otherwise would not be broadcast. The dorm cooking program has become syndicated, and the host has published a book on the topic.

"Ultimately I'd like to see us bigger and better than Duke, who has done it without a RTVMP department or

a Communications department, which I find surprising," Boyle said.

Boyle pointed out that the Duke station was limited to the campus but that it had been fighting to get out into the Durham community. "We have the potential to get out into our community immediately," he said.

However, all future plans will take money. Proponents of STV will be looking for that money, when students go to the polls Feb. 14, seeking a one-year increase of 50 cents in the Student Activity Fees to go directly to STV.

The temporary increase would give STV \$20,000 out of the necessary \$35,000 to get the station equipment needed to get off the ground, Boyle said. The other \$15,000 is being sought in private donations from foundations, corporations and interested alumni, he said.

All necessary equipment for Wednesday's show is on loan from Village Cable, the RTVMP department and the Media Center. Because it is a public access channel, Boyle said that advertising could be a source of income.

The date for the program actually was not chosen for political reasons, Boyle said.

"We wanted to do it just as soon as we got back from Christmas vacation," he said. "It turned out that a

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Housing department proposes rent increase

By STEVE FERGUSON
Staff Writer

Vice Chancellor for Student Affairs Donald Boulton is reviewing a proposal from the Department of University Housing to increase residence hall rent by 18 percent and married student housing rent by 20 percent.

The 1984-85 budget for residence halls is expected to have more than \$1 million in increased expenditures over the current year, according to a report released by the housing office.

After an 18 percent increase last year, it was predicted that a similar increase would be needed this year, Boulton said. "A year ago, we told everyone we would need to shoot for another 18 percent increase," he said. "So far, I'm pleased we're keeping within the framework we said we would."

Wayne Kuncel, director of University Housing, said the biggest requirement for the increased budget was debt service for the new \$6.5 million residence hall. The payment for the new facility is similar to a large home loan, Kuncel said.

A predicted 25 percent rise in utility costs and an estimated 8.4 percent rise in salaries of state employees also contributed to the cost increase, Kuncel said. Additionally, the housing office will renew a maintenance program for dormitory upkeep that was stalled last January, he said.

"We're trying to get ourselves in a balanced position," Kuncel said. "We will only maintain the level at a rate which we require to meet operating expenses." The housing office isn't supposed to make a profit, only remain financially stable, he said.

Residence Hall Association President

Mark Dalton said the housing office is trying to regain the financial stability it has lost in previous years. "Students in residence halls are paying for mistakes made by previous administrations," he said. "Past housing administrations have made grave errors."

In past years, unexpected costs have contributed to unusual increases, Boulton said. For example, one year the housing budget contained an 85 percent increase in utility costs, he said.

"It's like going to the gas pump, and gas is 80 cents one day and \$2 the next," Boulton said.

In the future, Kuncel said, students can expect only nominal increases comparable to the rate of inflation.

When asked to define nominal, Kuncel said: "If you can tell me what inflation is going to be, I'll tell you what the rates are

going to be."

Though the budget is not finalized, the 18 percent figure is not expected to increase, according to Boulton. "Luckily, we haven't had any surprises," he said.

Considering transportation, utilities and various deposits, students still get a better deal by living in University Housing, Kuncel said. "It does cost less to live on campus than it does in the community," he said.

When considering budgets, the administration always considers students' welfare, Boulton said. The financial aid office has a say in negotiation of the budget, since so many students at UNC receive financial aid, he said.

About 95 to 98 percent of the revenue for the housing office comes from rent income, Kuncel said. The rest comes from interest income and summer conferences

	HOUSING RATE COMPARISON (Per Semester)		
	1982-83	1983-84	1984-85 (Projected)
UNC-Chapel Hill	\$377	\$445	\$525
UNC-Charlotte	\$463	\$509	\$557
UNC-Greensboro	\$415	\$465	\$520
N.C. State	\$395	\$500	N/A
University of Alabama	\$465	\$488	\$513
University of Florida	\$525	\$567	\$597
**University of Georgia	\$394	\$432	\$455
University of Kentucky	\$575	\$604	\$634
University of Maryland	\$844	\$921	N/A
University of South Carolina	\$395	\$460	\$533
**University of Tennessee	\$473	\$503	\$538
University of Texas	\$439	\$482	\$523
University of Virginia	\$465	\$498	\$518

*Typical double occupancy room, common bathroom residence hall
**Quarter Rates Averaged to Semester Rates

held in dormitories, he said. Kuncel is trying to increase revenues through summer conferences.

"It's an attractive area and an attractive state," he said.

The proposal goes next to Vice Chancellor for Business and Finance Faris Womack, and then to Chancellor Christopher C. Fordham III for final approval.