

### Weather

Showers expected today with highs around 50 and lows tonight in the lower 30s. Highs tomorrow will climb into the mid-60s.

# The Daily Tar Heel

Serving the students and the University community since 1893

### Women's B-ball

The UNC women's basketball team thrashed Wake Forest, 91-54, Wednesday night to regain their confidence going into the ACC tourney. See story on page 9.

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## Economists predict continued growth for North Carolina in 1984

By VANCE TREFETHEN  
Staff Writer

North Carolina should continue its steady economic growth in 1984, business experts say, but they are less optimistic about 1985 and beyond.

Despite the possible gloom on the horizon, economic forecasters say North Carolina will be among the top states in economic growth this year.

"I was impressed with what a broad-based kind of growth we have," said John Hekman, associate professor in the UNC School of Business Administration. "North Carolina will probably be in the top 25 percent of the states in growth in 1984. In terms of absolute economic growth, North Carolina comes in pretty high," he said.

Much of this growth will occur because businesses see North Carolina as a good location to open new facilities and plants, Hekman said.

The UNC-Charlotte, First Union North Carolina Economic

Forecast, published in November 1983, gives a similarly optimistic outlook for 1984.

"During 1984 the North Carolina economy will add 85,000 new jobs, increasing the year-end seasonally adjusted establishment employment level to 2,496,200 persons," the report said.

"During 1984, Forecast (the report) expects the North Carolina seasonally adjusted unemployment rate to continue to decline. By year's end the rate will dip to 6.7 percent. The average unemployment rate for 1984 should be 6.9 percent, which is a substantial improvement over the 1983 average rate of 8.5 percent."

The report also said 1983 was a year of rapid growth for North Carolina, with growth carrying over into 1984. Gross State Product, or North Carolina's measure of the total output of the state's economy, went up 6.3 percent in 1983, according to the report.

Several economists expect 1983 growth will continue in 1984, but at a slower pace.

"Our forecast is that real GSP will be up 4.5 percent (in

1984)," said Bob Allsbrook, chief economist at First Union National Bank in Charlotte. "The national estimated increase is 5 percent," he said.

Allsbrook said that a slowdown of growth in 1984 would be normal, since the North Carolina economy grew much faster than other states in 1983. But though the growth rate will not be as high as last year's, Allsbrook said some sectors of the North Carolina economy will still be very strong.

"The areas of relative strength will be construction, non-durable and durable goods, and wholesale trade," he said. Specific industries within those categories with good growth potential include furniture, trucking, textiles, and tourism.

But not all industries are expected to improve in 1984. "The outlook for tobacco does not look good in 1984," Allsbrook said.

Both business and government economists suggest several reasons for North Carolina's optimistic economic outlook. Consumer confidence in the economy is a major contributing factor, said Michael Kiltie, a representative for the Office of State Budget and Management in Raleigh.

"That (consumer confidence) is reflected in the sales figures that we see in this office," he said.

He cited specific industries that will lead the way for North Carolina's economic growth in 1984.

"Towards the end of the year, we'll see an acceleration in non-residential construction. In textiles we're seeing (production capacity) utilization rates around 90 percent. The buildup in defense spending should have some positive effects on North Carolina," Kiltie said.

Kiltie warns that the high federal deficit may slow the economy down in 1985.

"Unless there's some effort by Congress to cut the deficit, there will be a clash in financial markets between public and private demand for capital," Kiltie said. "A slowdown is likely for 1985, but not necessarily a recession," he said.

Allsbrook agreed that the deficit will hurt the North Carolina economy but said that its effects have already begun.

"The deficit is affecting us already. It has a crowding-out effect that raises the price of money," he said. "The cost of money is crowding out investment spending."

## Officials predict a 'banner year' for county's economy

By SARAH RAPER  
and  
SHARON SHERIDAN  
Staff Writers

Unemployment figures and retail sales figures support local businessmen's predictions that this will be another good year for the Orange County economy.

So far in 1984, business is going extremely well, said Atwood Askew, Chapel Hill-Carrboro Chamber of Commerce vice president.

"Everybody is thinking very positively at this point," he said. "It looks like it's going to be a banner year."

Orange County unemployment, at 2.8 percent in December, 1983, was down from 3.3 percent in December 1982. Unemployment figures do not include students.

Maurice Elliott, Chapel Hill Employment Security Commission branch office supervisor, said Orange County traditionally has the lowest unemployment in the state. He said Chapel Hill's economy is more stable than that of other areas of the state because it is service-based.

"In service-related jobs, such as government jobs and educators' jobs, there is a lower unemployment rate because these services are essential," Elliott said. "These people are traditionally more secure."

Elliott said the number of job-seekers placed in jobs peaked in August and September of 1983, then leveled off.

He said placements dropped significantly during December 1983 and January 1984 because retailers were involved with taking inventories and the weather delayed construction jobs.

Elliott said he expects the number of both part-time and full-time jobs placements to increase steadily throughout the spring and jobs to be available for UNC summer school students.

The Chapel Hill ESC office is a branch of the N.C. Employment Security Commission. Located at 317 Caldwell St. extension, it has been open only four weeks. Previously, the Durham branch office matched up Chapel Hill-Carrboro employers' requests with job-seekers.

"We're hoping the new office will improve the number of local placements," Elliott said. He said the local ESC branch is working to publicize services to local employers, who should be more willing to use the agency since it is closer.

While unemployment is down, cost-of-living estimates for the area are the highest in the state.

A cost-of-living index developed by the U.S. Chamber of Commerce shows that Chapel Hill-Carrboro was 4.4 percent above the national average. The index is based on 59 items and excludes taxes and non-consumer expenditures.

All other N.C. cities were below the national average, according to local Chamber of Commerce figures. Raleigh was closest to Chapel Hill, at only 0.5 percent below the national average. Charlotte was 2.8 percent below the average and Greensboro was 5 percent below the national figure. Rocky Mount boasted the lowest figure in the state at 11.4 percent below the national average.

The cost-of-living index is also broken down into six categories including housing.

Chapel Hill was almost 16 percent above the national average for housing costs, which takes into account purchases and rentals.

Raleigh housing costs, 8.4 percent above the national average were closest to Chapel Hill's costs. Charlotte's costs were 2.8 percent above the national figures; Greensboro's costs were 2.1 percent above the average. Rocky Mount was lowest in the state at 24.1 percent below the national average.

Barbara Pipkin, president of the Chapel Hill Board of Realtors, said the high demand for housing in Chapel Hill explains the cost.

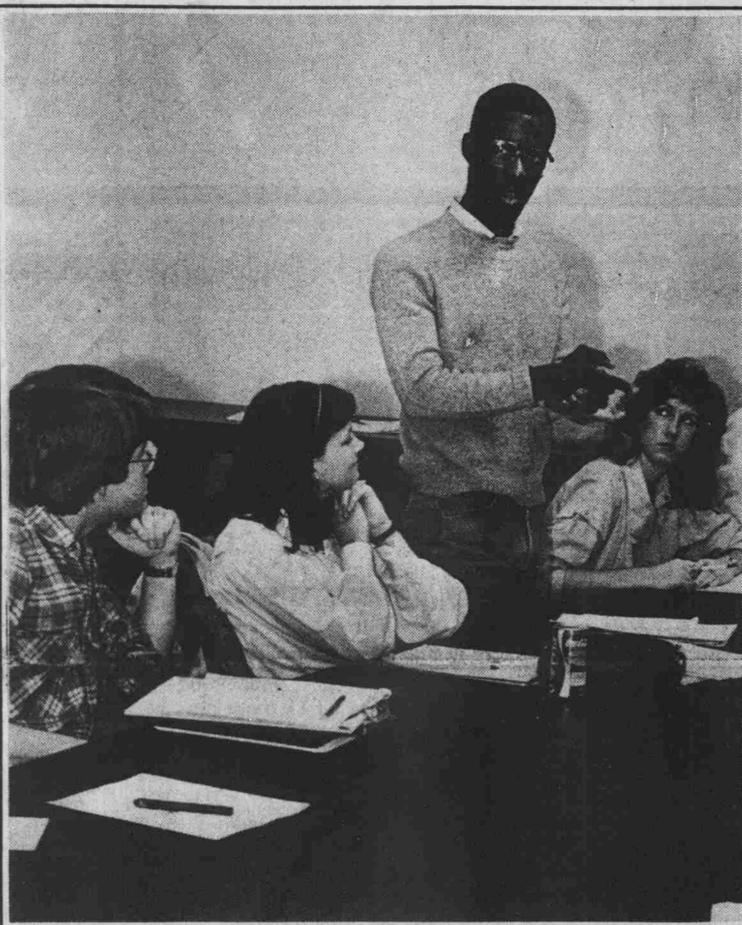
"We have the number one public school system here in Chapel Hill," Pipkin said. "As a result, people who are not employed here, people who work at Research Triangle Park or in Durham, choose to live here."

She said retired persons often seek housing in Chapel Hill because of the University's educational and entertainment resources and because of nearby medical facilities.

High demand for housing coupled with low interest rates for home loans should mean a strong year for local builders.

In Chapel Hill, permits for 69 single-family and multi-family dwelling units were issued between July 1982 and January 1983.

See LOCAL on page 3



Opening meeting

Reggie Holley (District 11), standing, speaks at the opening meeting of the CGC's 66th session. The CGC elected Holley its speaker Wednesday night. Seated are, from left, Ryke Longest (District 15), Dawn Peters (District 9), Holley, Connie Brown (District 21).

## Says withdrawal not a surrender

# Reagan defends Marine redeployment to ships

The Associated Press

WASHINGTON — President Reagan Wednesday night defended his decision to withdraw Marines from Beirut and said, "We are not bugging out, we are just going into a little more defensible position."

"I don't think you can say we have lost as yet," he told reporters during his first formal news conference of 1984.

In a long and rambling answer to a question concerning whether the United States had lost credibility during the recent turmoil in Lebanon, Reagan referred to the Marine withdrawal as "redeploying" and said American forces couldn't just "stay there as a target, hunkering down."

"But as long as there's a chance for a peaceful solution ... we're not bugging out, we're just going into a little more defensible position."

Some 1,300 Marines are being withdrawn on Reagan's orders from near the Beirut airport to U.S. naval ships offshore as Lebanon's government and army are battered by Syrian-backed rebels.

Reagan said his decision for a redeployment

did not represent "surrender" or a "cut-and-run" policy of any kind, adding that the Marines could be sent back into Lebanon if that would "improve the possibility of carrying out their mission."

"I don't see their mission as being over yet," the president said.

He labeled as "disgraceful, frankly," speculation that Secretary of State George P. Shultz might resign because of the failure of American attempts to work out a solution to the Lebanese crisis.

Reagan also said it is a fiction that he is not in charge in his administration or that he waits and sits back to be told what to do by advisers.

That "shows a lack of understanding of how our systems works," he said.

On another matter, Reagan said critics who say he is not working hard enough at being president "don't know what they are talking about."

He said he goes home carrying a load of reading material.

The first question of the news conference dealt with Lebanon. Reagan was asked if he thought the United States has lost credibility in view of its failure to achieve its purpose — the

withdrawal of all foreign forces from Lebanon.

"In the first place, no, I don't think you can say we have lost as yet," Reagan replied. "I know that things don't look bright, as bright as they have in the year and a half since they've been there," referring to the Marines. But he said he had not given up hope of achieving American goals. He outlined a history of long warfare in that region.

In a sharply partisan opening statement, Reagan urged Congress to act quickly to pass legislation reducing federal budget deficits, allowing prayer in public schools and strengthening criminal laws. Reagan said the items should be "at the top of the domestic agenda for the next 10 days."

Bipartisan talks between the White House and Congress aimed at reducing staggering budget deficits resume Thursday and the president declared, "It's time to get down to business."

"Democratic representatives have begged away from all but one meeting," the president said. "It's ironic that those who demanded negotiations have been so reluctant to negotiate."

## Kelly restricts talk on hearing

By JIM ZOOK  
Staff Writer

Little new information was made public after Wednesday night's pretrial hearing of the Student Supreme Court concerning the Elections Board disqualification of *Daily Tar Heel* candidate Jeff Hiday.

A court order issued by Chief Justice J.B. Kelly restricted all involved parties from commenting on the specifics of the hearing, which was preliminary to an open session of the court to be held Friday.

Hiday was disqualified February 15 by the Elections Board for submitting his campaign expense form 35-40 minutes after the 5 p.m. Feb. 14 deadline.

Kelly gave a summary of what transpired during the pretrial hearing, citing five key issues to be resolved.

"The first is whether the Elections Board was comprised properly and constitutionally," Kelly said. "The question there is whether or not they had two graduate students or needed more than two graduate students."

The Student Constitution states that all institutions created in the constitution must have a number of graduate students in proportion to the number of graduate students in the student body. The General Elections Laws require the Elections Board to have two to five graduate members.

"The second issue is whether or not that 5 p.m. rule shouldn't be automatic disqualification, but should only be disqualification if it materially affects the outcome of the election," Kelly said.

The General Elections Laws state that all candidates must submit their campaign expenditure forms by 5 p.m. on the day of the election. But Hiday is contending, that under the laws, only infractions that materially affect the outcome of the election are grounds for disqualification.

"The third issue is whether or not the 5 o'clock rule is constitutional," Kelly said.

"The fourth issue is whether or not the 5 o'clock is grounds for automatic disqualification or discretionary disqualification because of the language."

Kelly said the last issue is if the Court upholds the Elections Board decision on disqualification, whether the votes cast for Hiday should become void or count in the total number of votes. If Hiday's votes were void, Christine Manuel would be declared the winner.

If they were counted, Manuel would not have a majority of the votes cast and would face third-place finisher John Conway in a runoff.

Kelly explained the format for Friday's hearing which will begin at 4:30 in the Kenan Court Room in the Law School building.

"Each side will have 10 minutes to make opening statements," Kelly said. "Then each side will present evidence, including witnesses, and then each side will have 15 minutes (for closing arguments)."

Kelly said eight witnesses are expected to testify Friday, "about four from each side." He said he hoped the hearing would be done within three hours. But as for a speculation on how long it would take for a decision to be handed down, Kelly was uncertain.

If another election is deemed necessary by the Court, Kelly also was not sure on when it would be conducted.

"I think that the way I understand the laws, a re-election can be held as early as Tuesday," Kelly said.

Kelly issued an injunction Feb. 16 delaying certification of the election by the Elections Board until the entire matter is resolved.

In the general election Feb. 14, Hiday captured votes from 2,072 of the 5,350 students who went to the polls. Manuel received 1,964 votes; Conway, 701; and Frank Winstead had 238 votes.

## Divided jury causes mistrial in Allison case; judge raises bail

By MELANIE WELLS  
Staff Writer

HILLSBOROUGH — A divided jury forced Superior Court Judge E. Lynn Johnson to declare a mistrial Wednesday in the case of Danny Nathan Allison, who is charged with breaking into a UNC woman's room in Morrison dorm June 5 and sexually assaulting her.

The jury, which deliberated about eight hours in the case, remained divided 7-5 and was unable to make reasonable progress toward a verdict, said jury

representative Richard A. Baddour, dean of admissions at the UNC law school. Johnson made the decision at 4 p.m.

Allison also faces 15 other felony charges in connection with a series of assaults against UNC women last spring and summer. The recent trial, however, centered only on a breaking-and-entering charge and a first-degree sex offense stemming from the June 5 incident.

Immediately after the declaration of the mistrial, Allison was served with a warrant for arrest in connection with another case in the series of assaults, and the judge raised Allison's bail from

\$50,000 to \$100,000. District Attorney Wade Barber asked for the increased bail because he said the state was concerned that Allison might try to intimidate the four women who testified against him.

The public defender for Allison, Robert Mahler, said there were no reasonable grounds on which to raise the bail. "There's no evidence he has contacted or threatened anyone," he said.

Michael Kessler, a law student working with the defense, said Allison would be held in jail until his family meets the bail or until his next trial.

"This is definitely not an acquittal," he said. "The state can try him again on these charges or bring in some of the other charges against him."

Allison was arrested on August 6, 1983, after being identified as having attempted to break into a Foxcroft apartment that morning.

He had been under surveillance by the State Bureau of Investigation after a Burlington man gave the police a description of someone resembling Allison who used a Wachovia bank card stolen from one of the UNC women assaulted.

Allison admitted he was in Burlington

that day but said he had only visited a minister there. Allison testified that he had plans to become a minister himself.

In his closing statement, for the prosecution Tuesday, Barber said that fibers from a sock used to gag one of the victims were consistent with three different carpet fibers from Allison's Northampton apartment.

Kessler said that there were nine colors of fiber in the carpet and that the three in the sock could easily have come from any other similar color of carpet.

Barber said one victim identified Allison in court as her assailant upon

hearing his voice when he testified. Her eyes had been covered with tape too quickly for her to see her attacker.

"He has the same voice," Barber said, "just as he has the same ears, eyes, nose and cheekbones that the Morrison victim saw."

"There's no way these women are going to believe that it wasn't Allison who attacked them," Kessler said, "but there's no way his friends and family will believe that he did."

Both the prosecution and the defense said there would probably be another trial within several weeks.