

Rates for financing cars more stable than for other loans

By GORDON RANKIN
Staff Writer

With the approach of the summer season, students' interests will turn away from their books and toward the carefree vacations they have dreamed of all year. With summer jobs and internships, they will have money to devote toward another object of their dreams: cars.

However, while mortgage rates and the prime lending rates have been falling in record amounts during the last fiscal year, auto loan rates have only done so moderately. Though major American and foreign automakers have been offering excellent financing on poorly selling

models, students are finding that the rates applying to the cars they want are not as low.

Other alternatives for getting a loan are found at various banks and loan institutions, but they too charge relatively high rates—sometimes even higher than those of the dealers and manufacturers. According to statistics released by the Federal Reserve Board, new-car loan rates offered by banks have decreased just 1.1 percentage points during the last year to the 12.3 percent February average, the most current data available.

The reason that car loan rates are slower to drop than those of other loans is that credit

unions and other institutions charge cheaper rates than the banks do, said Charlie Harris, a car-loan officer at First Citizens Bank and Trust.

"At nine percent and other rates being offered by them, we couldn't possibly afford to drop to 8.5 percent just to compete," said Harris, "and you have to keep in mind that the auto loans aren't tied to the prime or T-bill rates."

Harris added that banks in general have also begun to make their new-car loan policies gradually stricter in recent years. If a student has no significant credit experience, a cosigner

such as a parent is required.

"Parents with excellent credit ratings are a boon to the student applicant, but acceptance also depends on for what type of car and how much the loan is requested," he said.

Carol Badgett, an attorney with UNC Student Legal Services, said the best advice she can offer to such a student is to shop around discriminately. There are several alternatives to the well-known, short-term rates offered by banks and dealers. These alternatives include loans that are spread out over as much as five years and thus are one or two percentage points lower. Badgett stressed that the ultimate, wise decision should

be made by the student himself.

"Students should realize their own financial limitations and plan ahead for long term effects before rushing into a situation they may later regret," she said.

"They should keep in mind not only the base cost of the car, but also the possibility that the dealer may offer an insurance policy with its own finance rate. Other things to prepare to consider are the value of the extended warranties and the service contracts. These are all important decisions to be made by no one but the applicant," Badgett said.

Group seeking more funds for physics project

By ROBERT KEEFE
Business Editor

The state should continue trying to attract the \$6 billion Superconducting Super Collider project, a governor's task force said Tuesday.

After reviewing geological reports from sites in Orange, Durham, Person and Granville Counties, the task force unanimously decided to request another \$750,000 for research into the feasibility of the project.

The group has already spent \$15,000 on research into the massive project.

"From the reports, we saw nothing that would indicate anything less than positive," said Richard W. Linton, associate professor with the UNC Chemistry Department. Linton was filling in for Dr. Jasper Memory, acting vice president of research with the UNC system at the task force's meeting in Raleigh on Tuesday.

Memory is one of four members on the panel from UNC. The other members are Kenan Professor Eugen Merzbacher and Associate Professor Paul H. Frampton of the physics and astronomy department and Jonathan

B. Howes, director of the center for urban and regional studies.

The 16-member panel is headed by Grace Roher, secretary of administration with the governor's cabinet. The other members come from N.C. State University, Duke University and various branches of state and local government.

The Superconducting Super Collider (SSC) will involve the construction of a 10-foot-wide ring tunnel 60 miles in circumference.

By using radio waves, the SSC will accelerate small atomic particles through the tunnel at the rate of 180,000 miles per second, or almost the speed of light. When the particles collide, scientists hope to find the smallest particles in the universe. Protons were previously thought to be the smallest particles known to man.

"If such a project were to be established in North Carolina, (the state) would become the center of high-energy physics in the world," said Dr. Memory in an interview earlier this month.

It would take 8,000 people six years

to build the SSC if North Carolina is picked for the site. After completion, the SSC would employ a permanent staff of 3,000 scientists and technicians and another 3,000 support personnel including guards, janitors and clerks.

There are presently 22 or 23 states vying for the project, with Illinois, North Carolina, Texas and California thought to be the most favored. Illinois is thought to have the biggest advantage of the group because of its success with Tevatron, a similar but much smaller center. Illinois is also the home to Fermilab, the largest existing physics research center in the U.S.

"We are competing with other states with less complicated geography—that's the biggest problem," said Linton.

North Carolina generally has an abundance of water and underground rock that would increase the cost of construction for the project.

But Butner, the area most favored by the governor's panel, has been stable for the past 600 million years, well over the federal standard of 10,000 years stability.

Illinois, according to Linton, has a relatively active southern plain that would tend to hurt its chances of getting the project.

North Carolina has several other factors in its favor that the western states don't have: the proximity of Research Triangle Park and Raleigh-Durham Airport and the facilities of the nearby research universities, UNC included.

The task force's request for \$750,000, if approved, would go toward further, more specific research into the project. It would be used to pay consulting agencies and geological specialists that have contracts with the state. Research Triangle Institute officials who are doing work on the economic aspects of the project would also be employed for further research.

"My impression is that the \$750,000 request is to bring all of this together to suggest the final proposal (to the federal government)," Linton said.

The deadline for submission of proposals by the states involved in the project is sometime in late 1987.

UNC poll puts Broyhill in front of Funderburk

Associated Press

RALEIGH — A congressional moderate praised as the "founder of the modern GOP of North Carolina" is widely regarded as the favorite against a protégé of arch-conservative Jesse Helms in a Senate primary that reflects a 10-year battle for control of the state GOP.

As the May 6 primary approaches, polls give 12-term Rep. Jim Broyhill a wide edge over David Funderburk, an academic and former U.S. ambassador to Romania, despite Funderburk's six-month assault on Broyhill's conservative credentials.

The incumbent, right-wing Republican John East, is retiring because of poor health.

A UNC poll taken in late February, the only independent survey

of voter opinion in the race, showed Broyhill with a commanding 42 percent to 9 percent lead over Funderburk. A third candidate, white supremacist F. Glenn Miller, had 4 percent.

With some 45 percent of the Republicans surveyed undecided, both sides agree the race is far from over. But political observers said the poll made it clear that Funderburk had made no significant inroads with his hard-hitting criticism of Broyhill's record.

Even Carter Wrenn, executive director of the National Congressional Club, Helms' political organization that is running Funderburk's campaign, acknowledged that "it wouldn't be incredible, but it might be remarkable" if he won.

Study says non-smokers pay for smokers' poor health

By KATHY NANNEY
Staff Writer

Tobacco users are not the only ones who pay for a smoking habit.

Statistics show that for every dollar spent on a pack of cigarettes, the consumer pays \$2 in health care cost and lost productivity, said Victor Strecher, assistant professor of health education.

Smoking costs \$26 billion yearly in lost productivity and wages due to smoking-related accidents and disease, according to American Lung Association statistics, said Eleanor Blackwell, director of the Research Triangle region of the association.

In addition, \$16 billion is paid yearly in health care costs, meaning the consumer pays a total of \$42 billion dollars for the national smoking habit, she said.

On average, each smoker costs his employer at least \$200 yearly in health care and maintenance costs, Blackwell said.

"I once worked in a cardiology ward in a hospital where nine out of 10 of our patients were cigarette smokers and we knew at least half of those illnesses were because of tobacco use," Strecher said. "You very frequently find a majority of patients treated in certain kinds of clinics are smoking-related cases."

About 90 percent of the patients at the pulmonary clinic at N.C. Memorial Hospital have illnesses related to tobacco use, said Lynn Krakower, a registered nurse in the clinic. The pulmonary clinic treats lung diseases such as emphysema, bronchitis and asthma.

A smoker's chances of getting lung

cancer are 10 times greater than those of a non-smoker, Strecher said.

"Before cigarette manufacturer put cigarettes in packs so they could be bought in greater quantities — this is back before the turn of the century — lung cancer was a very rare thing," he said. "If you had lung cancer then, doctors would gather around and put their heads together in discussion, because it was an unusual thing."

There have been federal legislative efforts to increase the tax on cigarettes to offset health costs, but those efforts are strongly opposed by the tobacco industry, Strecher said.

"The data that I've gathered showed that as you increase taxes, you're putting a strain on tobacco farmers who are about to go under as it is," said John Cyrus, program administrator for tobacco affairs in the state Department

of Agriculture. "You'll be putting tobacco farmers on welfare and you'd have to pay for that," Cyrus said. "I don't know anybody in North Carolina who would propose such a move (increasing the tobacco tax)."

American Heart Association

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