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Tar Heel/Tony Deifell

Castles in the sand

Heather Harding and her friends put the final touches on their sand sculptures at Topsail Beach Sunday.

Job seekers face closed doors from Chapel Hill businesses

By **ANDREW LAWLER**
Staff Writer

Although the sign "HELP WANTED" seems to be everywhere across the nation as unemployment reaches new lows, Chapel Hill remains a place of few jobs for many seekers.

According to Norma Bowen, specialist with the Employment Security Commission, North Carolina has benefited from the low unemployment rate. "We are placing more people in jobs as a result of it," she said. "But we are never as successful as we would like to be."

An informal survey of Chapel Hill businesses showed the so-called "labor-crunch" is for the most part non-existent. Fast food restaurants, the old standby for student employment, are similarly affected. For example, Burger King has stopped

hiring for the summer, and Pizza Hut had no trouble filling its summer positions, according to Jim Wagoner.

"We received seven applications for each hire," Wagoner said. He added that last fall that ratio was two to one.

Local restaurants have seen similar trends. One manager of a popular local restaurant asked not to be identified because while he was having no problems with hiring, he was afraid of losing applicants he might need in the future.

Paul Killian, manager of Spanky's, hired 10 to 15 employees for the summer with no trouble. "There's never a labor problem in this town," he said.

A Southern Season, the Plaza Theatre and Monarch Temporaries Service gave similar responses.

Michelle McHenry, staffing coordinator at Monarch, agreed with Killian: "There's never a problem during the summer."

Employers said they are paying higher wages than ever before for their employees. Briggs Wesche, manager of A Southern Season, said she saw an increase of 50 to 70 cents an hour in the past year.

"We've had to raise wages to keep up with labor trends," said Kim Johnson of Belk-Leggett Co., which received 300 applications for three positions.

Leonard Van Ness, executive vice president for the Chapel Hill/Carrboro Chamber of Commerce, said while there are relatively few jobs available for students, many businesses have high turnover rates, especially in retail and restaurants.

Student body presidents meet to reorganize advisory board

By **SHARON KEBSCHULL**
Editor

The Association of Student Governments will begin to function again as it was originally intended if this year's members can make the group work, UNC-Chapel Hill Student Body President Kevin Martin said Tuesday.

Martin, who was elected president of ASG two weeks ago, said he will work to make the organization of student body presidents effective as an advisory board to the UNC system's Board of Governors.

The BOG is the top board governing the 16-campus university system.

When William Friday was president of the system, he created the ASG to give students a voice to the board.

The ASG has been in turmoil in recent years as it lost a sense of continuity, Martin said, but has reorganized and should be able to work with the BOG and UNC-system President C.D. Spangler this year. Spangler has been left out of many of the ASG's meetings in recent years, Martin said.

The ASG did take a stand on the BOG's faculty drug policy last year, and it needs to continue to speak out on important issues to the BOG, Martin said.

When Bryan Hassel was UNC-CH's student body president, the ASG tried to become more of a student organization with a full-time staff that would lobby state and national legislators on student issues. That idea did not work out, leaving the ASG at loose ends.

"Maybe one day we can retain our role as advisers to the BOG and lobby, too, but what's most important is our voice to the BOG since they have no student representation right now," Martin said.

At its meeting in Greensboro, the
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Committee proposes minimum wage hike

By **BOB LUKEFAHR**
Staff Writer

If a bill that recently cleared a U.S. Senate Committee becomes law, it will be the first time since 1981 that the minimum wage has increased.

The Senate Labor and Human Resources Committee voted 11-5 June 29 to approve a bill to increase the minimum wage from \$3.35 per hour to \$4.55 per hour over three years.

Sponsored by Sen. Edward Kennedy, D-Mass., the bill is similar to a House bill sponsored by Rep. Augustus Hawkins, D-Calif., which passed the House Education and Labor Committee in March. The Hawkins bill would increase the wage to \$5.05 per hour but is expected to be amended to match more closely the provisions of the Kennedy bill, said John Butler, Hawkins' press secretary.

The proposed increase faces strong opposition from both the Reagan Administration and business groups. Reagan's Council of Economic Advisers predicts that the Kennedy-Hawkins legislation will cause a \$3 billion reduction in the gross national product, a \$2 billion dollar increase in the federal budget deficit and a loss of almost 600,000 jobs, said Steve Settle, legislative liaison for the Department of Labor. Settle said the deficit figures are based on a predicted rise in welfare payments caused by higher than expected unemployment.

"I think a lot of this is scare tactics," said Butler. He cited testimony given before the Education and Labor Committee that there would only be minor employment effects as a result of the legislation. Butler also said the Council of Economic Advisers is using outdated population data.

Paul Donovan, press secretary for the Senate Labor and Human Resources said, "Six times the minimum wage has increased and six times we've heard the same gloom and doom predictions . . . they haven't come true." He said he did expect a "very slight increase" in the loss of jobs but denied it would be anything like the predictions issued by the Labor Department.

The U.S. Chamber of Commerce has been lobbying hard to prevent the bill from becoming law. "We oppose any increase to the current rate — it's a job killer," said Bob Martin, manager of human resources. He cited a study by Ronald Krumm, assistant professor of political economy at the University of Chicago, which predicted that the 4th congressional district, made up of Orange, Wake, Chatham, Franklin and Randolph counties, will lose 7,497 jobs

by 1992 if the rate goes up to \$4.65.

Some economists also say the higher wages will discourage new hiring by businesses and add to inflation by increasing the amount of money available for consumer goods.

"Almost everyone agrees that there is going to be a loss of jobs . . . all research that's ever been done by economists says that you lose jobs," UNC economics professor John Akins said.

But Hawkins said history does not prove the concerns of a job loss.

"This is an historical fantasy spread by the traditional opponents every time an adjustment is proposed," he said. "Each year after an increase, except during the recession years, employment has increased."

The AFL-CIO, along with other labor groups, strongly supports the

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