

Partly sunny
and fair
Highs in lower 80's

The Daily Tar Heel

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"Accidental Tourist"
Showing in Union.
7 p.m., 9:30 p.m.,
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BSM funds cut

By JOEY HILL

The Finance Committee of Student Congress recommended Wednesday that the Black Student Movement (BSM) receive \$22,380 in funding from Student Congress.

Congress reduced the BSM's original request for \$28,280 after correcting mathematical errors in the budget and after some cuts were made to the proposal, said Tom Elliott, a committee member. The only substantial change was made in the transportation category, which was reduced from \$4,400 to \$4,000, he said.

The entire congress will vote on the amended funding requests Wednesday, Sept. 13.

"Probably someone will make an effort to cut it again," Elliott said. The BSM budget is one of the largest requested each year, and it is likely to receive cuts, he said.

"Some members of congress will be worried that we're spending too much too soon. Funds have to hold out until next May 15."

No one from the BSM was available for comment Thursday.

The BSM and other groups made their requests for funding after missing one of two deadlines during the spring semester of last year, Elliott said. Last year the BSM missed the Feb. 10 deadline to file for consideration in the budget process.

"They appealed under extenuating circumstances, but their appeal was denied," he said. "They have every right to apply for a budget. The only penalty is the delay. Technically, they didn't have any funding from May 15 until now."

The North Carolina Student Legislature (NCSL) also requested funding, Elliott said. The finance committee's recommendation was for \$1,953 — \$1,000 less than the organization requested.

"The cuts to NCSL's budget were not as much based upon merit as upon financial reality," said Student Congress Speaker Gene Davis. "Each of the groups that comes before us is meritorious of funding, but the level of funds must be comparable to the level of funds which Student Congress has to appropriate."

"NCSL will certainly have another chance to plead its case. The chances are not good because of the financial situation we are in, and that is unfortunate."

The Carolina Quarterly asked for \$3,000, and its budget was reported favorably to the full congress by the financial committee for the full amount requested.

The committee will also recommend that Safe Escort receive \$650, the en-

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Fire damages Zeta Psi house

By EMILIE VAN POUCKE

Staff Writer

A fire at the Zeta Psi fraternity house early Thursday morning destroyed one-third to one-half of the house and injured four firefighters.

James Hargrave, the fraternity's custodian, woke when flames broke out in his corner room on the west rear side around 5:45 a.m. A faulty extension cord apparently caused the fire.

Hargrave, who is legally blind, could see the flames and hear the smoke alarm and alerted the other residents. No fraternity members were injured.

Pat Pressley, master officer and public safety officer, and J.R. Dale, fire driver, fell through damaged flooring. One of the men was able to catch himself on a joist, and the other slid to the bottom floor on a fire hose.

Fire Captain James Hollowell suffered a sprained ankle and groin. Jeff Snyder, public safety officer, was inside pulling down walls to clear space when a piece of ceiling fell on his shoulder and bruised him.

All four men were hospitalized for examination and treatment. Snyder, the last to be released, was released by 12:15 p.m.

Smoke damaged about half the house, and water damaged most of it. Fraternity members lost all of their belongings.

"Everything has been cleared from the scene and the house has been turned over to the fraternity brothers," said Fire Captain William Smith.

Before fire crews arrived, Spence Whitman, Zeta Psi president, said he tried to evacuate remaining residents. Whitman pounded on fellow member James Alford's bedroom door until he could no longer withstand the smoke. Alford was escorted from the building soon after firefighters arrived.

Whitman told Chapel Hill Fire Marshal Joe Robertson that he tried to put out the fire with an extinguisher before leaving the building, but could not remain inside for long because the hot metal of the fire escape was burning his feet.

After most of the members were out, one of them telephoned from an adjacent house to report the fire.

Dave Hill, Chapel Hill police master officer, arrived at the scene first. By the time the fire was out, 43 emergency personnel officers were involved.

"All four pumbers (fire trucks) were called to the scene," Robertson said. "The Carrboro Fire Department sent one truck to the Chapel Hill station to handle any other calls."

Witnesses saw flames devouring the right side of the house from the first floor to the roof around 6:15 a.m.

Around 6:35 a.m., fire crews backed the truck into the Granville Towers parking lot for a better position to fight the flames. Crews worked from the outside with water, while inside crews tried to expose hidden flames.

While crews were inside, water pumped from the outside was stopped.

At 6:55 a.m., fire workers wearing masks and oxygen tanks prepared to re-enter the building. For every group inside the house, there was a crew on stand by.

Investigators had cleaned out half of Hargrave's room by noon. Once the room had been cleaned, investigators studied what is called the lowest point of char.

The char marks form an upward, v-shaped path along walls. The origin of a fire is usually on the side of a room where char marks are deeper.

UNC and local Red Cross officials offered assistance to fraternity members. Housing director Wayne Kuncel said, "I left my name and number with them (fraternity members) and indicated that if they needed housing we would work with them."

Several members said they planned to stay with friends.

Bob Ziegler, executive director of the Orange County Chapter of the Red Cross, said their job is to offer food, clothing and shelter. "If one of the frat brothers decides that, yes, they are in need of our services, they can still contact us."

During the emergency, the Red Cross provided food for the emergency workers.



Special to the DTH/Neil Rittenbury

Smoke pours from the roof of the Zeta Psi fraternity house Thursday morning

UNC urges student groups to incorporate

By JASON KELLY

Staff Writer

UNC is encouraging student groups to seek limited incorporation for protection from taxation, University officials said Thursday.

Donald Boulton, vice chancellor and dean of student affairs, said the 1986 federal tax reform made it necessary to investigate ways to protect student groups from the Internal Revenue Service.

"It has everything to do with taxes, absolutely," he said. "Since the tax reform of 1986, the IRS has started to look at colleges as pools of money that

they can get hold of, but this is not the case. Our lawyers have advised us to pursue limited incorporation to preserve student organizations without having to worry about being taxed."

Dorothy Bernholz, director of Student Legal Services, said that the University was a tax-exempt organization, but that groups not directly part of the University didn't share the same status. "There are in excess of 200 student groups, and most are not taking advantage of the tax-free status of the University."

Bernholz said incorporation would give student groups other advantages

besides tax-exempt status. "Advantages include, for example, when an unincorporated student group has a contract with a band, the signer of the contract is personally liable, and can be sued. But in a corporation only the body is sued. The corporation can also indemnify (reimburse) its members if they are sued."

Student groups would get other legal benefits from incorporation, she said. "Incorporation is a beneficial state because of other privileges like bulk mailing and no sales tax. Non-profit groups would have no tax on income, either."

Student Congress Speaker Gene Davis said student groups would be interested in incorporation for financial reasons. "People will not give nearly as much to student organizations if the

donation is not tax-deductible. As it is now, it is not tax-deductible to donate money straight to a student organization."

"It is, however, deductible if the donation goes through the University," Davis said. "But money that comes from the University can be held up, and it can only be used for capital expenditures. That limitation can be taken care of by student incorporation."

Boulton said incorporation would not affect student control of student groups, but Davis said incorporation would give students more control and autonomy.

Bernholz said incorporation had few disadvantages. "The only disadvantage would be the very close scrutiny by the Internal Revenue Service. Student groups would need self-discipline."

"The groups would have to be very careful that no money went to the benefit of the members. They would have to keep careful minutes and records of all proceedings because corporations are under both state and federal regulation."

The Daily Tar Heel does not fall under the University's tax-exempt umbrella, said Kevin Schwartz, DTH general manager. "It is assumed that students fall under the umbrella. We need to resolve this problem before we can do any long-term planning."

The DTH is the first student organization to seek limited incorporation.

Davis said University attorneys have encouraged student groups to become incorporated. "We're following the precedent being set by The Daily Tar Heel."

Drug plan seen in good light

By CRYSTAL BERNSTEIN

Staff Writer

President Bush's new drug eradication plan has met with positive reviews from N.C. legislators and drug rehabilitation officials, who consider the plan a good start in the battle against drug abuse.

The plan, which was announced Tuesday, provides almost \$8 billion to expand the criminal justice system, hold drug users accountable for their actions, expand drug treatment, target services and block drug trafficking.

If Congress approves the plan, it is still unclear whether the program will greatly affect North Carolina.

Crack use and drug problems in public housing developments need to be addressed, said Bill Cannell, public information officer with the N.C. Department of Crime Control and Public Safety.

"Public housing has a disproportionate amount of the drug problem," said Lillian Alston, assistant director of housing management operations for the Raleigh Housing Authority. People who live in public housing often have little or no income, so they readily accept invitations by dealers to sell drugs for money, she said.

Drug kingpins need to be identified and dealt with, and public housing officials need to deal with violators to

lessen the problem, Alston said. The housing developments will need more money for counseling as well, she said.

Lt. Gov. Jim Gardner has worked with officials in Raleigh, Asheville, Washington and Greensboro to reduce the drug problem in public housing, said Tina Wilson, director of communications for Gardner. Gardner hopes the problem can be lessened by joint action between local and federal government, she said.

Arrests for drug sales and possession were up 25 percent to 23,645 in 1988, said Charles Dunn, deputy director of the State Bureau of Investigation. A total of 2,609 people were arrested for opium and cocaine sales, a 72 percent increase from 1987. Marijuana sales were down 10 percent in 1988; sales of synthetic narcotics were up 25 percent; and sales of other drugs increased 11 percent.

Overall drug sales increased 23.6 percent, while possession was up 25 percent, Dunn said. Crack cases have increased 285 percent from last year.

Though the new drug plan has drawn attention to the national drug abuse problem, it's not enough to eradicate drug use, Dunn said. People need to get involved on a local basis to make a real difference, he said.

But Bush's program is a good first step, said Susan Yates, executive direc-

tor of Chaps Koala treatment center in Research Triangle Park. "It gives attention to some needed areas."

Some local officials and experts say the plan gives too much attention to punishment and not enough to drug

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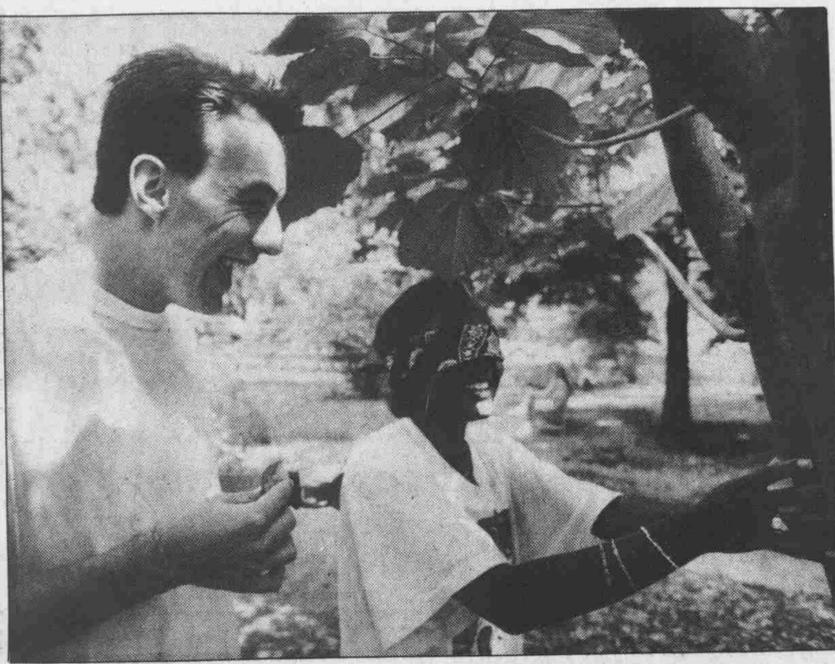
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DTH/Tracey Langhorne

A touchy situation

Lynn Cochran, a senior from Winston-Salem, leads Susan Morgan, a senior from Sanford, through Coker Arboretum Thursday in a Drama 35 exercise illustrating blindness.

A flute without holes is not a flute but a doughnut without a hole is a danish. — "Caddyshack"