

Mostly sunny
High in 60s
Weekend: Mostly sunny
High in upper 60s

The Daily Tar Heel

Serving the students and the University community since 1893

Homecoming
Pep Rally
7:30 p.m.,
Morehead Planetarium

Volume 98, Issue 84

Friday, October 19, 1990

Chapel Hill, North Carolina

News/Sports/Arts
Business/Advertising 962-0245
962-1163



Gulf crisis causes rise in U.S. inflation rate

WASHINGTON — Americans' spending power sank again in September as the Persian Gulf crisis pushed prices up a sharp 0.8 percent for the second straight month, the government said Thursday. Still, inflation not tied to oil prices remained relatively mild.

If the Consumer Price Index continued increasing at the September pace for a year, it would produce an annual inflation rate of 9.5 percent.

Most economists believe price increases — excluding the outbreak of a shooting war — will return to a more normal level by the end of the year. The oil shock nevertheless has added a new burden for an economy that was already on the brink of recession.

"You take out energy and the numbers aren't that bad. But on the other hand, people have to buy the energy and it gives you an annual inflation rate roughly double the rate of wage growth," said economist Donald Ratajczak of Georgia State University.

U.N. council ponders steps against Iraq

NEW YORK — Members of the U.N. Security Council on Thursday were weighing a war-reparations measure against Iraq. The Baghdad government, battered by global sanctions, ordered rationing of medicines and offered to sell oil — cheap.

High oil prices, fueled by the 12-week-old Persian Gulf crisis, pushed up the cost of living for Americans and helped widen the U.S. trade deficit, the government said Wednesday in two reports.

In a renewed diplomatic bid to break the gulf impasse, Secretary of State James Baker met Thursday with an envoy from Soviet President Mikhail Gorbachev. The envoy, Evgeny Primakov, is to meet Friday with President Bush.

The proposal calls on Iraq to withdraw from Kuwait — possibly in exchange for elections in the emirate and cash compensation to Iraq to settle an oil claims dispute.

Yeltsin's criticism costly for Gorbachev

MOSCOW — An adviser to Mikhail Gorbachev said on Thursday that critics like Boris Yeltsin were needlessly eroding international confidence in the Soviet Union by attacking the president's economic rescue plan.

"Every such speech robs us of several billion dollars' worth of (foreign) loans," Abel Aganbegyan, an architect of Gorbachev's compromise reform plan, told committees of the Supreme Soviet legislature.

The economist's charges heated up the political atmosphere as Gorbachev prepared to present his four-stage economic plan to the full 542-member Supreme Soviet on Friday.

Aganbegyan charged that "political instability" caused by Yeltsin would force Western banks and countries to think twice about offering loans needed to help the Soviet Union switch from a centrally planned to a market economy.

Yeltsin, president of the Russian Federation, the largest of the 15 Soviet republics, said in comments published Wednesday that the president's plan was a "catastrophe" and "doomed to fail" within months.

— From Associated Press reports



DTH/Lee Furches

Stepping out

Members of Kappa Alpha Psi sorority perform in the Homecoming Step Show Thursday night in Carmichael

Auditorium. The event was sponsored by the Black Greek Council and Carolina Athletic Association.

Hate crime increase sparks student rally

By MICHELLE RABIL
Staff Writer

Students from various organizations plan to hold a Rally Against Hate Monday in the Pit from noon to 1 p.m. in response to the wave of hate crimes on campus.

Students for the Advancement of Race Relations is sponsoring the rally because of a recent series of hate crimes, including the defacement of a Harvey Gantt campaign poster with racial slurs in Mangum Residence Hall and a Carolina Gay and Lesbian Association announcement on the Cube in the Pit with anti-homosexual slogans, said Birshari Greene, SARR co-chair-

woman.

At least five other organizations will participate in the rally, she said. "We want to show a coalition of student groups getting together who don't want to stand for this any longer," she said.

Many student leaders will speak at the rally to show the University community that students are aware of the problems and are working to solve them, Greene said.

The rally will be beneficial to the University because, despite UNC's racial harassment policy, not much

See FORUM, page 7

UNC, other state universities may be affected by shortfalls

By STEPHANIE JOHNSTON
Assistant University Editor

UNC-system schools probably will share in future state budget cuts and adjustments in revenue, system officials said Thursday.

N.C. legislators will face a projected budget shortfall of at least \$658 million in the 1991-92 fiscal year, an article in Thursday's issue of The Charlotte Observer stated.

The shortfall could grow to \$900 million if oil prices continued rising and the nation slid into a deep recession, the article stated.

Samuel Poole, Board of Governors chairman, said he thought budget

shortfalls would occur. But the universities would have to wait and see if additional cuts were made in their budgets, he said.

"I certainly hope they (legislators) don't continue to cut funds," he said.

Felix Joyner, General Administration vice president of finance, said system schools would be affected by any actions the General Assembly took. "Universities would share in the result of adjusted revenues, finding reserves," he said.

The BOG has asked the General Assembly to restore \$48 million it has cut this year in funds to the system schools.

The General Assembly cut 3 percent

of UNC's base budget in August because of a \$336 million shortfall in state revenue, and the Office of State Management and Budget reduced the University's first quarter allotment by an additional 1.7 percent.

The University is expecting an additional 3.2 percent cut for the remainder of the fiscal year.

Poole said he did not know if the General Assembly would support fund restoration. "I certainly hope they would," he said.

Joyner said system officials were

See BOG, page 7

Proposed road would reroute traffic, close off Manning Dr. access to 15-501

By JULIE ANN MALVEAUX
Staff Writer

Plans for a new road that would cut through Odum Village, UNC's married-student housing, were the focus of discussions between Vice Chancellor of Business and Finance Ben Tuchi and Chapel Hill Town Council members last week.

As part of the four-year-old Land-Use Plan, University planners want to realign Manning Drive, which goes in front of UNC Hospitals, in order to block it before it reaches the U.S. 15-501 bypass. Traffic from the bypass would instead be routed to Columbia Street and then to the new road.

The UNC Land-Use Plan was developed because the University needed more land to accommodate increased population and construction, Tuchi said. Development of future land will in-

clude studies of traffic patterns, he said. "The University's intent is to get traffic away from the hospital and provide access to future (building) developments between Manning Drive and Mason Farm Road," said David Bonk, Chapel Hill senior transportation planner.

Tuchi said several new buildings were planned in the area of the new road, including an addition to the hospital and an ambulatory care building.

Town council member Julie Andresen said Chapel Hill needed to improve its road system. "The town needs to reevaluate traffic circulation, so the hiring of a traffic signal expert within the next two years has been planned in the budget," Andresen said.

Tuchi said he did not think the construction would interfere with the everyday lives of the students living in

Odum Village and surrounding areas. He added that students could park nearby and ride buses home if construction got in the way of traffic. "Discussions are underway for another parking deck to be built before road construction would begin," he said.

The Land-Use Plan is not part of the thoroughfare plan the state requires of all localities expecting funding assistance in building highways and meeting other traffic needs. But town staff members recommended postponing the Manning Drive realignment decision until it could be included as an amendment to the thoroughfare plan.

The Chapel Hill Town Council will vote on the proposal Oct. 29. If the council approves the realignment as an amendment to the thoroughfare plan, construction is expected to begin within three to four years.

UNC survived previous budget shortfalls

By SHANNON O'GRADY
Staff Writer

Budget cuts have disrupted the transition from the booming '80s to what some economists have called the lean '90s, but history shows that UNC has faced and survived similar situations before.

After the roaring 1920s, the depression years of the '30s brought sobering budget problems to the University. Although the circumstances surrounding the University's budget problems in the '30s differed from those of today, the effects on the institution and the community were similar.

In a speech on Jan. 29, 1931, University President Frank Porter Graham spoke to a joint session of the N.C. House and Senate about the University's \$875,000 budget request from the state legislature for the 1930-31 fiscal year. State legislators initially cut the amount by 20 percent to \$700,000 and finally reduced it by 34 percent to \$573,600.

The faculty took a 33.3 percent cut in salary, said UNC instructors from the '30s who still reside in Chapel Hill.

"The teachers got mighty poor salaries," said Lawrence London, a 1931 UNC graduate and former curator of the N.C. Rare Book Collection, in an interview Wednesday.

"We had a great difficulty keeping good faculty," he said. "By 1930, we lost three really big men in the English department. One went to Harvard, one went to Iowa and one went to Columbia."

Gladys Coates, widow of Albert Coates who founded the Institute of Government, said 1930 budget reductions greatly affected the Chapel Hill community. "Salaries went down very much," she said. "We literally lived from hand to mouth. It was a very, very bad time for a lot of people around here."

The University found it difficult to improve salaries after the budget cuts in

1930, said Caryle Sitterson, a 1931 UNC graduate. Sitterson also served as dean of the College of Arts and Sciences from 1955-1965 and chancellor from 1966-1972. "It was not until after World War II, 10 years later, that salaries returned to normal."

Graham did his best to maintain the University's high academic standards and to keep the faculty morale high during the 1930 budget cuts, Sitterson said. "I do not believe it would have been possible for the University to find anyone to deal with the crisis like Graham did," he said.

London also said Graham acted as an outstanding leader for the University during the crisis. "I think he handled the situation as well as possible and better than most," he said.

"He was able to work well as a native North Carolinian with the legislature," London said. "Some people practically

See HISTORY, page 7



DTH/Kathy Michel

Liquid assets

Rebecca Potter and Aimee Watson of Phi Mu collect change for Project Hope and UNC Hospitals' pediatric ward in a bathtub on Franklin Street.

My teenage angst has a body count. — Heathers

INSIDE

Going wild
Lab Theatre to stage Ionesco's "Rhinoceros" 2

History in the (re)making
Old East and Old West residence halls prepare for renovations 3

Another homecoming
Michael Jordan's Bulls to meet Nets in Smith Center Saturday 4

Local 3

Sports 4

Classifieds 6

Comics 7

Opinion 8

© 1990 DTH Publishing Corp. All rights reserved.