



'All Things Must Pass'

All things will pass someday, including snow, icicles and possibly even the energy crisis.

Photo by Edward Palsa Jr.

Hike seen in Pa. sales tax

HARRISBURG (AP) — Gov. Shapp is expected to ask for a 1 per cent increase in the state sales tax today to fill a \$260 million hole in his 1977-78 spending program. Sources indicated yesterday that Shapp will propose increasing the 6 per cent tax to 7 per cent. It would be the first sales tax increase in nine years and an alternative to raising the personal income tax. Shapp goes before the legislature at 1 p.m. to announce his budget and tax program for the fiscal year beginning July 1. State sales tax officials said a 1 per cent increase would bring in an extra \$270 million, enough to cover the projected deficit. A 7 per cent levy also would tie Pennsylvania with Connecticut as the states with the highest sales tax. However, comparisons on the rate basis are misleading because of exemptions. The Pennsylvania tax does not apply to such things as take-home food, clothing, gratuities, repair and alteration of clothing,

dry cleaning, utility services, household supplies, non-prescription medicines and medical supplies. State Revenue Secretary Milt Lopus and the Pennsylvania Economy League, a private organization, both point to an Internal Revenue Service study which puts Pennsylvania far down the sales tax impact list. "Of the 46 states, including the District of Columbia, which have sales taxes, the IRS shows ours is less burdensome than 43 others," Lopus said. In addition to fewer exemptions, Lopus said some states have local as well as state sales taxes. Lopus did not say what Shapp would propose. A 1 per cent sales tax increase would mean a family of four earning \$10,000 would pay an extra \$15 annually. A family of four earning \$20,000 would pay about \$26 more a year. The figures are based on IRS allowances for tax reports.

Shapp could have opted for increasing the income tax from 2 to 2.4 per cent. That would cost the four-person family earning \$10,000 about \$30 more annually. A family earning twice that would pay an extra \$60. But the income tax hike would bring in only about \$195 million, \$65 million short of the projected deficit. But the income tax hike would bring in only \$195 million, \$65 million short of the projected deficit. The state is expected to spend about \$9 billion in the new fiscal year. Recent estimates indicated that \$8.6 billion will be spent in the current fiscal year. Those figures include more than \$5 billion in the general fund. The rest takes in special funds, like the one financed by motor vehicle fees, and federal spending. Even without a tax increase Pennsylvania's revenues would most probably go up next year. That's because more people are paying larger amounts as their incomes and buying power increase.

Mideast hostility Vance's target

WASHINGTON (AP) — Secretary of State Cyrus Vance intends to probe for a lessening of Palestinian hostility toward Israel on his six-nation trip to the Middle East, U.S. officials said yesterday. The Palestinian issue, these officials said, has been insoluble until now, but it may hold the key to negotiations for a settlement of the Arab-Israeli conflict. Vance planned to take off shortly before midnight and fly to Tel Aviv. His subsequent scheduled stops are Egypt, Lebanon, Jordan, Saudi Arabia and Syria. Reporters were told the administration has no blueprint for the Middle East and has not concluded that a Palestinian "mini-state" should be created on Israel's border.

Instead, U.S. officials said, Vance will ask Arab and Israeli leaders how Palestinians would "fit in." They said the secretary has no plans to meet with any representative of the Palestine Liberation Organization. Israel has refused until now to negotiate with the PLO, which has conducted terrorist raids against Israel. The PLO charter also calls for the destruction of Israel. Revision of that charter when the PLO national council meets next month could open new possibilities for a settlement, one U.S. official said. Before Vance's departure, the State Department criticized Israel's oil exploration in the Gulf of Suez, saying it was both illegal and "not helpful" to a settlement.

Israeli officials responded that the project conforms with international law and would not interfere with any agreement. They noted that Israel returned the Abu Rudeis oilfield to Egypt as part of the 1975 Sinai accord. Frederick Brown, a department spokesman, said Vance will discuss the oil issue with Israeli and Egyptian officials. "Our legal view," he said, "is that Israel as an occupying power does not have a right to exploit natural resources that were not being exploited when the occupation began." The Israelis have taken over the east side of the gulf, which lies between Egypt and the occupied Sinai. Geologists say the drilling could lead to a new oil discovery.

Brown, responding to questions at a briefing, said, "Israeli development is not helpful to get peace negotiations under way." Israel has refused to recognize old U.S. leases granted by Egypt. An Israeli flotilla forced an American drilling rig out of the area last September. The American rig tried to drill on a lease secured in 1964 by a petroleum company owned by Egypt's government oil firm and a subsidiary of Standard Oil Co. of Indiana. State Department officials take the view that Israel's drilling is a violation of a 1907 Hague convention on rights of an occupying power. According to this view occupation forces may tap existing resources but are barred from developing new ones.

Shapp lifts Lake Erie drill ban

HARRISBURG (AP) — A ban on natural gas drilling in Lake Erie was lifted yesterday by Gov. Milton J. Shapp. Conservation-minded legislators immediately reacted with furious opposition, although the directive does not take effect until March 16. Shapp announced his decision to end the eight-year ban while addressing a joint session of the legislature on energy matters. The order would permit the state to lease off-shore land to drillers. He said the gas is needed to save the

state from a continuing energy crisis. "It (the crisis) is a silent, insidious creature slowly strangling our poor, our elderly, our working people," Shapp told the lawmakers. "I have for six years recognized the public concern in northwestern Pennsylvania with regard to proposals to drill for natural gas in Lake Erie," he said. "Now the greater need of all our citizens must outweigh those objections." Some of the legislators angrily

dissented. "We've got hundreds of gas wells in Pennsylvania that are capped," said Rep. John Laudadio, chairman of the House Conservation Committee. "I'll show you 100 wells in Westmoreland County alone that are not producing," he said. Rep. Reid Bennett, chairman of the Business and Commerce Committee, agreed with Laudadio, adding that the governor had not consulted lawmakers on the proposal.

Fulmer abandons Senate race

Centre County Republican Chairman Eugene Fulmer dropped out of the race for the 34th District State Senate seat yesterday because of pressure put on him by leaders within the GOP on both the local and state level, according to sources. State leaders were threatening to support an independent candidate over Fulmer, and local leaders were suggesting showing support for the Democratic candidate, G.M.

McCrossin, the sources said. The sources also said the GOP intends to hold another meeting to choose a replacement for Fulmer, and all 43 conferees who were originally involved with the selection last Tuesday will be called again. Fulmer defeated Rep. Walter F. DeVerter of Mifflin County for the candidacy by a vote of 22 to 21 in a controversial contest for the spot. Until the night of the selection,

Fulmer had remained silent as to the identities of the 21 Centre County conferees, whose votes totaled one short of the necessary majority, and as to whether he would be a nominee for the seat. Despite calls for party unity made by Fulmer, DeVerter, and State GOP Chairman Richard Frame, delegates from Mifflin and Clearfield counties showed little enthusiasm over Fulmer's selection.

Energy policy questions have no underlying forum

Editor's note: This is the second of a two-part series.

By JAMES DIPIETRO
 Collegian Staff Writer

Although West Penn has been in operation in Centre County since 1983, there doesn't appear to be any existing forum for the energy policy questions to be discussed. It is a new issue as far as social issues go.

H. William Prinkey, manager of area transmissions for the Allegheny Power System, said "It would be irresponsible for us not to meet our demand and I suspect it would be illegal, too. Since the energy crisis of 1974, we've been encouraging consumer conservation through our advertising campaigns.

"If people are saying that we are expanding capacity so we can produce more and therefore make more money, that is totally erroneous," Prinkey said. "From a purely financial standpoint, it is not in our best interest to encourage growth that requires new plant equipment. Any energy supplier, today, being such large users of capital, finds themselves in a bind. With high capital costs and with the other high costs of construction and labor, it is just plain bad business to expand right now. The most profitable thing for us to do right now is to use existing plant and equipment to their maximum use."

Although power officials emphatically say that the power line is necessary to meet the load carrying capacity of the Centre Region, there is no way to critically evaluate their

statement. A map of the grid network system of transmission lines in Pennsylvania looks like a map of the highway system: the network is that complete and interwoven. It is not uncommon for West Penn to supply energy to Consolidated Edison in New York or other power companies. During the recent gas shortage, this grid network system enabled West Penn to send energy to areas of the East coast, hard hit by the shortage. Allen D. Brady, executive director of the Bellefonte-State College Industrial Corporation, a group that tries to attract industry into the area, said before industries settle in an area, they assume that adequate energy is available. "In terms of making this area more attractive to industry the new line can't help but make it more attractive," Brady said. "But anytime I've ever asked the officials at Allegheny about the capacity for this region, they always told us not to worry about it because we are part of a larger grid network system and the energy flows where it is needed. This line is to increase the capacity of the entire grid system, not just this region here. But it is hard to say that it is not for this region because we are all going to benefit from it." Carl F. Schlenke, division manager of West Penn Power in Centre County, said "underlying this entire need controversy is the growth vs. non-growth controversy. "There are those who are calling for zero growth, but I can't agree with that philosophy," Schlenke said.

"It is not as though I'm deciding the issue for the entire community, I don't feel it is our choice to make. The choice has already been made for us. Just the sheer number of people out there makes it so," he said. "I've been accused of having limited abilities but on the issue of what's the answer for society's energy problems, I'll have to admit that I don't have the answer. We evaluate the load on the current system and plan accordingly. In my mind, we are doing this for the industry that's here. It is not to supply energy elsewhere and it is not to encourage new industry. It is simply to meet the needs of the Centre Region," Schlenke said. "The real issue here," said James J. McClure, State College Borough councilman, "is that the utilities have been wound up to act in a particular capacity and although there have been many changes in the energy situation, the utility companies act as though nothing has changed. They act as though there are no limits to wealth and resources. They don't answer to anybody, they don't answer to any planning commission. The only people they answer to are their stockholders." "West Penn can't act unilaterally on these issues," Fred Soyak, division power engineer for West Penn Power, said. "If the problem is that there is no national energy policy, it is not our fault. We are engineers; we can't be asked to solve society's social problems." "But if they are using our environment to make a profit,"

Milito said, "then the power companies have the moral responsibility to make sure the energy is used carefully. They should not have a rate structure which encourages more and more use. As it stands now, the more you use, the less you pay for it." "It's cheaper to supply large users than residential users," Schlenke said. Discussion continues on the power line proposal. To the various people involved, it has come to represent different things. In the meantime, everybody anxiously awaits West Penn's decision on the selection of the route. West Penn has said it will come sometime in March. Bob Horner of Boalsburg is one of those anxious to hear. Horner's stone farmhouse sits at the base of Tussey Ridge, against a backdrop of woods. "You know, you can't hold up progress," Horner said. "I guess this is progress but sometimes it can be distasteful."

Weather

Variable cloudiness, windy, and colder today and tonight with a few snow flurries. High today 26 and low tonight 8. Partly sunny and continued cold tomorrow. High 19.

Tuition hike may be inevitable, Oswald informs USG Senate

By KATHY O'TOOLE
 Collegian Staff Writer

University President John W. Oswald told the Undergraduate Student Government Senate last night that a tuition rise may be inevitable.

"For the past five or six years we've ended up with a gap between the justifiable needs of the University and what the state appropriates," he said.

Three ways to deal with the gap are attempting to cut projected expenditures to a minimum; shifting monies within the University from less priority to greater priority areas; and raising tuition, Oswald said.

Oswald said a tuition rise would be the last resort, but he said he could not guarantee anything.

"I'm not optimistic," he said. "The state has had a serious falling off of revenue this winter."

If there is an increase, Oswald said, he would make every effort to minimize it. "Last year we were pleasantly surprised to keep the increase to only 5 per cent," he said.

Oswald said he was particularly concerned about the University's enrollment figures, which are expected

to decline steadily until the 1980s. He said the University would not set lower admission standards to compensate for enrollments.

Minority student enrollment was making progress, Oswald said. There was a 5 per cent increase of minority students in the 1976 freshman class, he said.

"The important thing that we have to do is be sure to provide the programs and the environment here that is conducive and supportive to students of all races," he said. "We're beginning to make headway, but what would really bother me is if the 5 per cent in the freshman class became 3 per cent in the sophomore class."

Oswald also commented on the likelihood of coeducational housing at the University. "I've seen no recommendations that it has improved the academic environment in universities where it's been tried, and it's caused problems with security and privacy," he said.

North Halls Senator Mindy Morrison said coed housing has worked well in North Halls interest houses where male and female students live on the same

floor, but different wings. "The security is a lot better and the rape incidents are lower than in other dorm areas," she said.

North Halls Senator Karen Shanoski said possibilities for coed housing could include different wings, alternate floors or alternate rooms.

"All we're asking for is an alternative," she said. In formal action, the Senate approved a resolution to raise the limit for USG campaign spending from \$350 to \$400.

"It's tremendously difficult to stick a \$350 limit and still get your message across," USG Vice President Dave Hickton said.

"We're pricing the average student right out of the market," West Halls Senator Bernie Campbell said. Applications for positions on USG can be picked up in 214 HUB beginning March 10, USG Elections Commissioner Jim Hoffman said. The deadline for filing an application is midnight March 21, he said.

Petitions for candidates for State College borough councilman, mayor and district magistrate are available from the USG Department of Political Affairs.



University President John W. Oswald spoke about communication with students, tuition increases and coed housing at last night's Undergraduate Student Government meeting.

Seated next to Oswald are USG Vice President Dave Hickton and senate President Pro-Tem Jeff Tempest.

Photo by Ken Kasper