

Pay hike alters prices, staff size

By CORLISS BACHMAN
Daily Collegian Staff Writer

Local restaurants may be forced to raise prices or cut employee work hours as a result of increased minimum wage standards, several downtown businessmen said.

They said increasing the minimum wage to \$2.65 an hour can be expected to hurt State College food establishments much more than other downtown merchants.

A bill which would raise the minimum wage from \$2.30 to \$2.65 an hour, effective Jan. 1, 1978, was passed in the U.S. House of Representatives and sent to the Senate in September. President Carter has announced his approval of the increase.

Because a large percentage of area restaurant workers are college students being paid the current \$2.30 minimum hourly wage, an increase in that level will force employers to give pay raises.

Resulting additional operating costs will need to be recovered, in most cases from increased prices or shortened employee work hours.

Other businesses predict they will experience little or no problem from a larger minimum wage. Many of the small State College shops have only a few employees, most of whom already earn at least \$2.65 an hour, as revealed in a survey of 11 businesses by The Daily Collegian.

Restaurants are generally affected to a greater degree because they need to keep on a large staff to

provide adequate customer service. There is a limit to how much a restaurant can cut down on the number of employees working at a given time, because service is essential, according to John C. O'Connor, manager of the Tavern Restaurant.

"A new minimum wage will certainly affect prices, in all probability," O'Connor said.

Watching labor costs very carefully will be the strategy for keeping prices stable at Tippy's Taco House, according to manager Jerry Wolff.

"We are going to make every attempt possible not to raise prices," he said, "by keeping labor costs within a certain percentage of gross sales." If necessary, work hours would be cut, Wolff said.

Other employers are more optimistic. Cheap Thrills manager Alan Nevins anticipates no adverse effects from a new minimum wage. "Almost everyone here will be getting \$2.65 by Christmas anyhow," he said.

Managers at the End Result and Alley Cat also are confident they will be able to keep prices steady despite the increase. Most of the employees at End Result work full-time, and all are paid more than the minimum wage, manager Jack Barnett said.

Linda Epler, manager at Mode, said she is certain Mode's prices will not go up, but feels that some employee work hours may have to be cut.

At this time it is still uncertain how a minimum wage increase will affect students who work in University dining halls.

These students now are paid the minimum wage and

may receive periodic raises on the basis of merit and length of employment, according to John Dombroski of the Housing and Food Services personnel office.

The University actually is not required to pay the minimum wage, salary administrator manager James Wagner said, because of a proviso permitting student wages to be 85 per cent of the regular minimum wage.

No final decision can now be made about a future raise for student dining hall workers, Wagner said, until the University knows how it will be influenced by amendments to the Fair Labor Standards Act.

Another provision of the proposed legislation will have a direct effect on area restaurants.

They would be under an additional strain if a proposal passes the legislature which would decrease credit allowed for employers of tipped workers. The minimum wage laws currently in effect permit employers to claim an allowance of up to 50 per cent of the minimum wage for tips received by employees, as part of their actual cash wage.

Waitresses at the Tavern, the Deli and the Corner Room, for example, now are paid half of the minimum wage, and keep tips they receive to make up the difference.

The proposed change, to be phased in over a four year period, would reduce the tip credit to \$1 instead of 50 per cent of the minimum. Restaurant owners would then have to pay an increasing amount as the minimum wage rose, further constraining their operations.

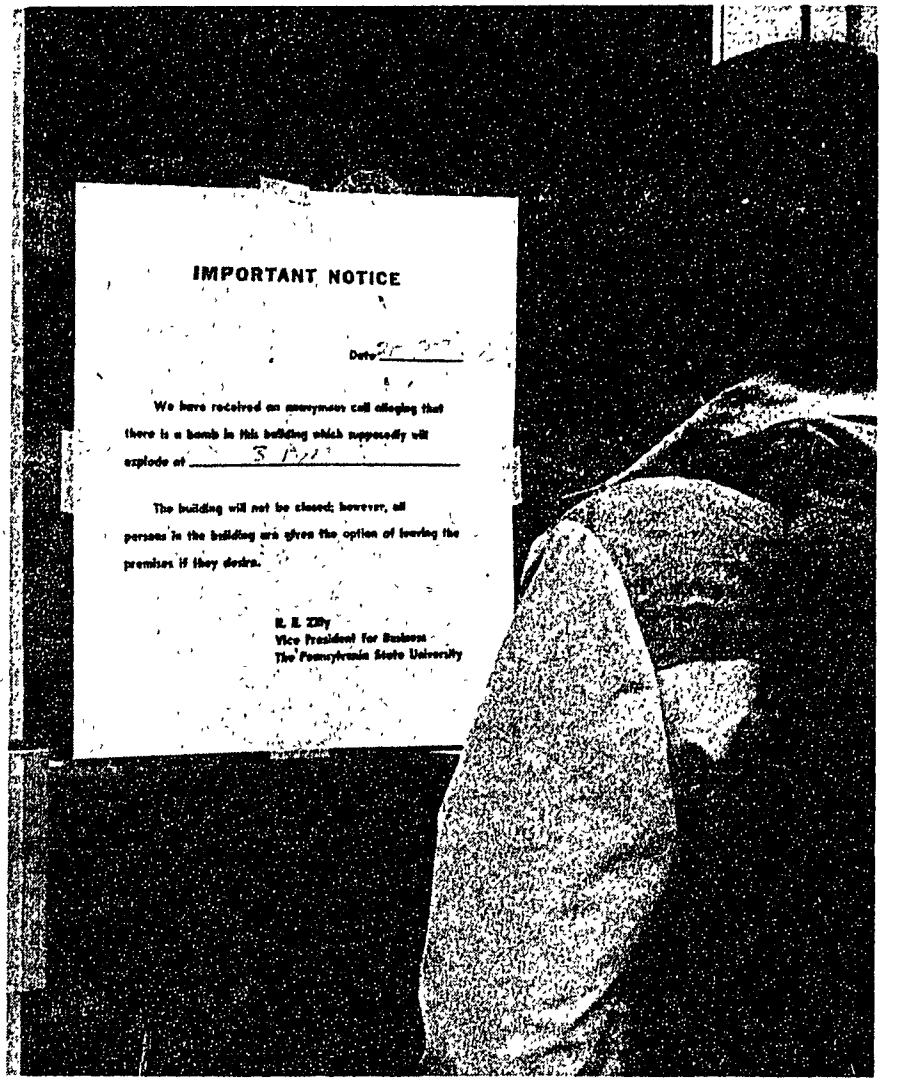


Photo by Chip Connelly

Willard still stands after an anonymous caller telephoned an employee in Willard and said a bomb would explode at 3 p.m. University police searched the building, found no bomb, and posted the above sign at all entrances.

A spokesman for the University's Department of Public Information said that posting signs and not evacuating buildings is now standard procedure on campus.

Penn labor dispute off limits, senators say

HARRISBURG (AP) — The Senate improperly injected itself into a labor dispute with its vote holding up \$17 million in state aid for the University of Pennsylvania, a number of senators say. The vote likely will be reconsidered, they added.

Penn's state appropriation failed by two votes this week when the

Philadelphia delegation, no-tax advocates and union supporters lined up against it.

They charged that Penn fired 343 housekeeping employees after they joined the Teamsters Union.

"It's a very, very dangerous thing for the state to intervene in a labor matter of this type," said Sen. Louis Coppersmith,

D-Cambria, a Penn alumnus who led the fight on behalf of the school.

He said the legislature only once before has tried to hold up a university appropriation. About 50 years ago, lawmakers demanded that Penn fire a left-leaning professor before it receive its state aid, Coppersmith said. Penn complied.

Don Gillis, lobbyist for the state Chamber of Commerce, said the vote against Penn bodes ill for other state-supported universities, such as the University, Temple and the University of Pittsburgh.

"If the legislature starts getting into this ballgame, there'll be no end to it," Gillis said.

Judge discusses pot, gun laws

Decriminalization of marijuana and a need for affirmative action programs in college admittance standards were two of the topics discussed yesterday by Judge Frank J. Montemuro, Republican candidate for Pennsylvania's State Supreme Court.

At a press conference, Montemuro also spoke on prison reform and gun control.

Montemuro said that he favored culturally fair entrance examinations, special assistance for disad-

vantaged students, and aid for the self-supporting student. However, he did not approve of setting aside a number of slots for students on the basis of race, he said.

In response to the question of marijuana laws, Montemuro said that he favored lesser penalties but opposed decriminalization legislation.

Gun control laws was another issue that Montemuro opposed. "We have sufficient laws today that just have to be enforced," he said. "What we need is federal uniformity in reference to

acquisition of firearms."

With the rising number of people in jail, some prison conditions have deteriorated, according to Montemuro. "We can't have rehabilitation by warehousing people," he said.

Rehabilitation isn't working if 50 per cent or 60 per cent of the inmates are repeaters, he said, but society shouldn't give up the concept of rehabilitation.

Judge Montemuro served as a Common Pleas Court Judge for almost 14 years. — by Vicki Fong

CATA 'broke, but not destitute'

Although September ridership figures were high, the Centre Area Transportation Authority (CATA) is in poor financial condition, according to a report given at yesterday's meeting.

The report of the CATA finance committee said appropriations were much lower than had been expected, indicating that, "we're broke but we're not destitute."

"We're getting a tremendous utilization of our bus pass system but it's not paying for itself," the report said.

Peter Everett, CATA board member and University professor of Man and Environmental Relations presented a

report on the program to promote ridership on the H-route, which runs from Downtown State College to Tofrees. The program had involved mailing free bus passes to those people who live along the route, to introduce them to the bus route.

"I think we definitely had a sixty-eight per cent effect on ridership," Everett said. "We had a healthy ridership promotion because of the program."

The resignation of William C. Barrett, transit manager, who has taken another position in Massachusetts, was also formally accepted at the meeting. Barrett's recommendation that General

Secretary Thomas Kurtz be named manager during the six-week interim before a replacement is found was also accepted.

Barrett also recommended that the sale of the three oldest CATA buses be withheld until a replacement is found.

It was also announced that invitations for bids for the bus stop passenger shelters have been advertised. Construction of the shelters, it was decided, should begin within 120 days of the award and take a maximum 240 days to complete. — by Jim Zarroli

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AND
JULIE LEVINE
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