

TMI victims to receive \$25 million

By TIM PETTIT
Associated Press Writer
HARRISBURG (AP)—A federal judge has approved a \$25 million payment for economic and health testing costs triggered by the accident at Three Mile Island. It is the largest damage payout ever for a nuclear accident. But it may take at least six months before the 20,000 people and businesses eligible will have their claims processed and paid, Elizabeth Honeywell, clerk for U.S. District Judge Sylvia Rambo, said yesterday.

Under the settlement approved Wednesday, \$5 million will go for a new public health fund

to pay for radiation monitoring and cancer detection programs in the Three Mile Island area. The remaining \$20 million will go toward satisfying economic loss claims.

The class action lawsuit was filed by individuals and businesses against the owners of the nuclear plant, damaged in the nation's worst commercial nuclear accident in March 1979.

Both sides reached a preliminary agreement in February and Judge Rambo said she approved it because there had been "little negative reaction" from either side about the amount.

"According to our experts, the \$25 million will be sufficient," said David Berger, attorney for the people and businesses who filed the lawsuit.

"You have to remember, that this does not affect the people who are filing lawsuits for physical damages or emotional distress," he said.

John Harkins, attorney for TMI's owners and three other defendants, said the settlement was the first major payout for losses incurred by a nuclear accident.

Payment will be made by American Nuclear Insurers and Mutual Atomic Energy

Liability Underwriters, two insurance pools that federal law requires to cover damages from nuclear accidents.

Notices had been sent to 200,000 residents and businesses within a 25-mile radius of the nuclear plant, telling them they could file economic claims, but only 20,000 said they would.

Claims can be made for things such as lost wages, evacuation expenses and business losses from closings or drops in tourist trade.

"I am disappointed by the response. It should have been much larger," said Kay Pickering, spokeswoman for Three Mile

Island Alert, an anti-nuclear organization. "If anyone decides now that they want to file a claim, they'll have to ask the judge to grant an exception."

A panel that still must be chosen will screen each claim, Honeywell said. Judge Rambo will have the power to review the claims.

Named in the suit were the plant owners—General Public Utilities Corp. and its subsidiaries, Metropolitan Edison Co., Pennsylvania Electric Co. and Jersey Central Power and Light Co.; and also Babcock and Wilcox, manufacturer of the reactor vessel; Catalytic Inc., and J. Ray McDermott.

state/nation/world

Budget deficit high

Economists warn Reagan of gloomy outlook

BY DAVID ESPO
Associated Press Writer
WASHINGTON (AP)—Congressional economists, less optimistic than the Reagan administration, said yesterday the 1982 federal budget deficit could top \$80 billion, more than \$30 billion above the president's estimate.

Alice Rivlin, director of the Congressional Budget Office, also said balancing the budget in 1984, as the Reagan administration has vowed to do, would require "difficult and painful" spending cuts beyond the unprecedented reductions approved by the House and Senate earlier this year.

Despite a gloomy assessment of federal spending and interest rates, Rivlin presented the House Budget Committee with other economic assumptions that she said "contrast sharply with the unfavorable economic developments of the past several years."

She forecast economic growth of about 4 percent for next year, with inflation moderating to a rate of about 7 percent by the end of the year and a slight reduction in the rate of unemployment.

Rivlin said interest rates "although lower than in 1981, would remain high in 1982"—averaging between 11.4 percent and 13.4 percent for three-month Treasury bills.

And on the subject of spending, she said the 1982 deficit would be \$60 billion to \$70 billion, far larger than the administration's public estimate of \$42.5 billion. For 1984, she estimated a deficit of \$53 billion to \$65 billion barring new cutbacks or increases in revenues.

Reagan's chief spokesman, David R. Gergen, said the Congressional Budget Office forecasts were brighter than they had been last winter in several areas, including a prediction of larger growth in the gross national product and lower unemployment.

"In that sense there is good news and encouragement," said Gergen, the president's assistant for communications. But, he

said, the congressional office assumed "a business-as-usual approach by the administration and that's what the president doesn't find tolerable."

Rivlin's pessimistic report on the size of the federal deficit and interest rates dovetailed with concerns expressed by Republicans returning to Washington after a month-long congressional recess.

One powerful Republican senator, Budget Committee Chairman Pete Domenici of New Mexico, is arguing privately for cuts in defense and deeper cuts in so-called "entitlement" programs such as Social Security, veterans' and other retirement programs, welfare and Medicaid. These politically popular programs rise as inflation rises, and in the view of some experts, the budget cannot be brought into control unless they are cut back.

"Entitlements, painful as it is to attack them, must be addressed in a significant way," Domenici wrote Senate Republican Leader Howard Baker in a memorandum late last month.

The memo and an accompanying blueprint for budget cuts developed by the Budget Committee staff, also indicated that budget director David Stockman favors cuts of about \$13 billion in defense and another \$10 billion elsewhere in the budget for 1982. But the memo indicated Stockman favors delaying attempts to cut the politically sensitive entitlement programs until after next year's congressional elections to improve the GOP's chances at the polls.

The president is expected to call for a new round of spending cuts next week, including a reduction in his proposed defense buildup, as he attempts to meet his target of a 1982 budget deficit of \$42.5 billion and a slight surplus in 1984.

Privately, administration officials concede it will be difficult to hold the 1982 deficit below \$60 billion. And the Budget Committee staff memo reports that the Stockman's latest "guess for planning purposes" is a deficit of \$72.4 in 1982 and \$78 billion in 1984.



Perfect landing

Parachutist John Carta is led away by officials after he successfully maneuvered his parachute (inset) onto the south tower of the World Trade Center in Manhattan.

Solidarity closes congress, demands free elections

BY GEORGE BRÓDZKI
Associated Press Writer
GDANSK, Poland (AP)—Solidarity, in a bold new challenge to communist authorities, ended its unprecedented national congress yesterday with a demand for free elections and a ringing call to "build a Poland such as our fathers could."

The 896 delegates, who for six days debated policy and politics, also urged the independent union to get control over the mass media, worker self-management and freedom for "political prisoners," and gave a vote of confidence to their leader, Lech Walesa.

Meanwhile, Solidarity workers at the plant's biggest steel mill voted no-confidence in the plant's director, Soviet warships maneuvered in the Baltic for a possible amphibious landing exercise north of Poland, and the Warsaw regime accused

Solidarity of trying "step-by-step, institution-by-institution to take over authority."

In Moscow, the Soviet news agency Tass, in one of its most savage attacks since the free labor movement was founded in Poland a year ago, criticized the congress as "an anti-socialist, anti-Soviet orgy" and charged Solidarity with an "open struggle" against the Polish party and government.

But Walesa said as the union closed the congress with the national anthem and a Roman Catholic church hymn, "We must build a Poland such as our fathers could't. Let us put personal ambitions into our pockets."

Walesa charged the union to go back to its grass-roots members to "discuss and debate" a cure for Poland's ills. "Perhaps in four years we can get to democracy, but not... when we have a

big fight for our existence," he said in urging the union to be "fast, operative and a little dictatorial."

The congress reconvenes Sept. 26 to debate final programs and elect new leaders.

Solidarity, which Tuesday threatened to impose its own version of worker self-management in Poland and expressed support for free unionists in other Soviet bloc countries, shed away from another row when it shelved discussion on the Communist Party's leading role in Poland.

A clause acknowledging that role was inserted in an annex to the union's charter last fall to allow the federation to be legally registered, and one of the delegates to the Gdansk conference wanted the meeting to adopt a resolution to get rid of the clause.

Instead, the delegates demanded a new election

law that allows candidates not selected by the communist-led National Unity Front to stand for all posts. The next elections in Poland are for regional councils in December.

"We demand that the election law ensure social and political organizations the right to put forward candidates," the resolution said. "But our efforts are meeting with constant, put forward candidates should also be given to groups of citizens."

The proposal challenges the current domination of candidate selection by the unity front which is overseen by the party. The party has about 3 million members in Poland. Solidarity has 9.5 million members, and presumably would offer its own candidates under the proposal.

In addition to the proposal for free elections, the congress adopted a policy statement calling for the economy, worker self-management, control over the mass media and freeing of "political prisoners."

"The delegates declared that without successfully conducting these problems Poland will not be able to lift itself from ruin," the statement said. "But our efforts are meeting with constant opposition from the authorities."

The confidence vote in Walesa came after the delegates heard him urge Solidarity to be "fast, operative and a little dictatorial" when it comes to calls for immediate industrial democracy in Poland.

"I am in the union to win battles and not to lose them. But if we do not have a strong leadership, we shall be losing battles," said Walesa, who is both the Gdansk regional chief and the national union leader.

FBI reports increase in major crimes

BY MIKE FEINSLBER
Associated Press Writer
WASHINGTON (AP)—The number of major crimes in America surged by 9 percent again last year and only one out of five resulted in an arrest, the FBI reported yesterday.

The rise in the 1980 crime rate was the second substantial increase following three years of relative stability.

The crimes counted were murder, forcible rape, robbery, aggravated assault and the non-violent crimes of burglary, larceny and theft and motor vehicle thefts.

The 9 percent increase in 1980 followed an increase of 9.1 percent the previous year. By contrast, the 1978 increase had been only 2 percent, the 1977 rate dropped 3 percent and there was no change in 1976.

But the 13,295,400 serious crimes reported in 1980 represented an increase of 55 percent over the number reported in 1970. The population increased by only 9 percent from 1970 to 1980.

The FBI's annual Uniform Crime Report said only 19 percent of serious crimes in the seven categories in its index resulted in a suspect being taken into custody.

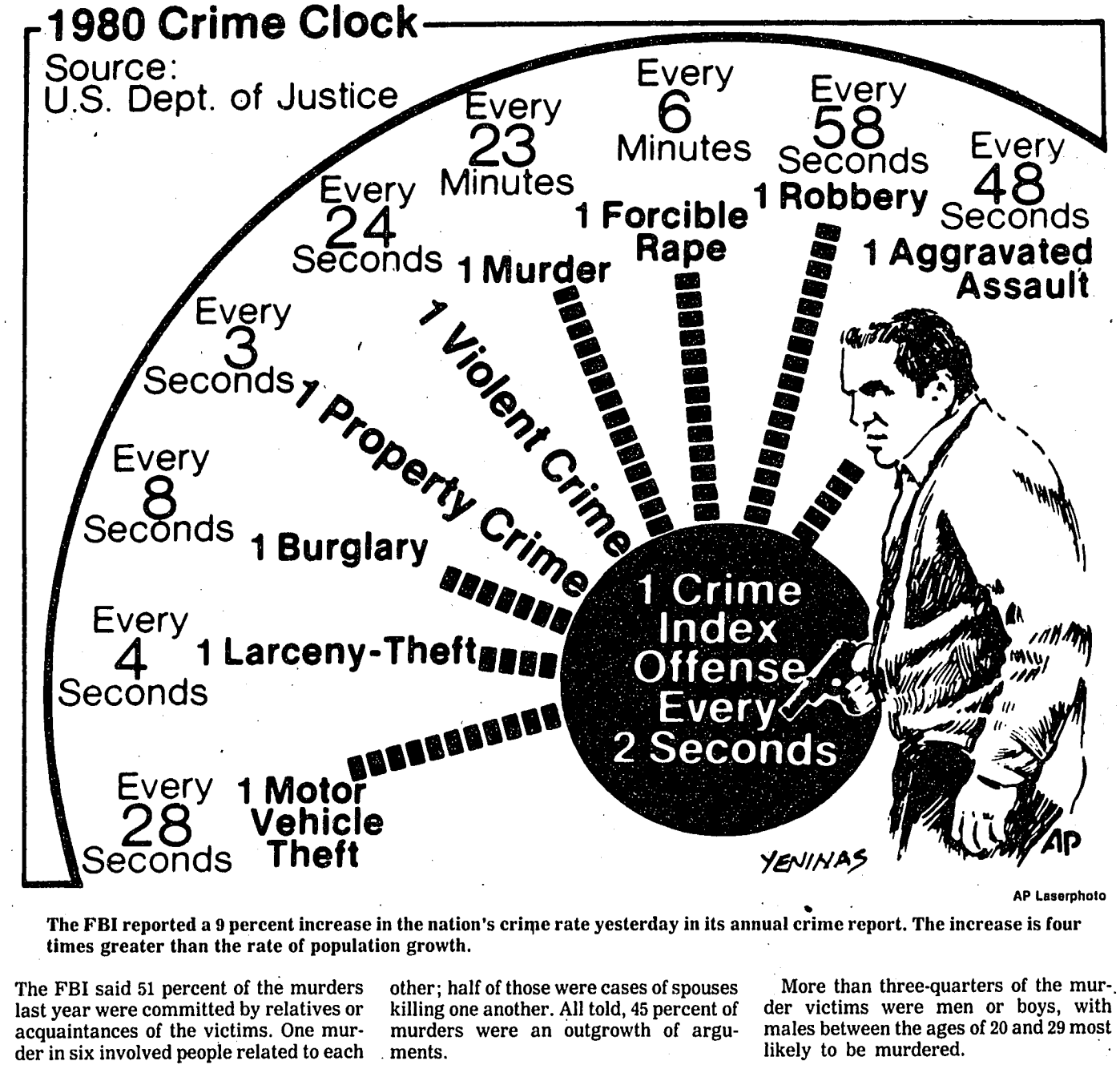
But the arrest rate varied sharply, with 72 percent of all murders, 59 percent of aggravated assaults and 49 percent of rapes resulting in arrests.

Only 24 percent of robberies, 14 percent of burglaries, 18 percent of larcenies and thefts and 14 percent of motor vehicle thefts led to suspects being seized.

Overall, suspects were taken into custody in 44 percent of all violent crimes but only 16 percent of more difficult-to-solve crimes against property, which are 10 times more numerous.

Murders last year took 23,044 lives—killing one of every 10,000 residents of this country. A murder occurred on average every 23 minutes.

Most of the victims knew their killers.



Soviets plan war games to flex military muscle

COPENHAGEN, Denmark (AP)—A Soviet armada of 60-80 ships—one of the largest such fleets seen in the Baltic since World War II—moved south along the Soviet coastline yesterday as part of widespread military exercises, Scandinavian intelligence reports said.

The Danish Defense Intelligence Service predicted landing exercises would take place near Baltiysk, 15 miles north of Poland, by the weekend.

A Danish spokesman said the aircraft carriers Kiev and Leningrad were part of the fleet that missed overnight off Ventpils on the Latvian coast and was moving in formation through heavy fog.

The ships are passing through waters just off the Byelorussian and Baltic defense areas, where nearly 100,000 Soviet troops are reported to maneuver.

Similar war games by NATO forces are under way, the land portions to begin next week. An estimated 400,000 NATO troops are involved in 26 separate exercises in the Atlantic, the Baltic and in Europe.

A Danish intelligence officer, speaking of the Soviet exercises, said "We think the landing exercise will be near the Baltiysk area, where they should arrive by midday Friday."

Baltiysk is about 50 miles from Gdansk, Poland, where the Polish independent union Solidarity is clashing with first congress.

The official Soviet news agency Tass has accused the congress leaders of trying to seize political power in Poland.

In Washington, the State Department

Cardinal investigated for improper funds use

By SUSAN J. SMITH
Associated Press Writer
CHICAGO (AP)—A federal prosecutor said yesterday he has received allegations that Cardinal John P. Cody spent church money improperly, and a newspaper said a grand jury is investigating whether he gave up to \$1 million to a childhood friend for such items as a home, a luxury car and furs.

The Chicago Sun-Times said in a copyright story that the jury is investigating whether the 73-year-old archbishop of the nation's largest Roman Catholic archdiocese used the money to enrich 74-year-old Helen Dolan Wilson of St. Louis, who is Cody's cousin by marriage.

The church, as a religious organization, is subject to federal laws which prohibit tax-exempt money from being spent to improperly enrich any individual.

Cody told the Sun-Times "I don't need any chance for rebuttal" and could not be reached for further comment. The Chicago Archdiocese denied any misuse of church funds and Wilson, who retired from an \$18,000-a-year clerk position for the St. Louis archdiocese in 1969, denied receiving any money from the cardinal.

Dan K. Webb said his office had received allegations of "improper diversion of church funds" by Cody.

Webb said in a statement that he has the "responsibility of determining the accuracy of the allegations and whether any federal laws have been violated." But he did not say specifically that he was investigating the allegations against Cody, nor where the allegations came from.

The Sun-Times said the grand jury has issued subpoenas for financial records of the archdiocese, the cardinal

and Wilson.

The newspaper said the government is trying to determine whether Cody used any part of more than \$1 million from two un-audited church bank accounts to benefit Wilson.

The newspaper said nearly \$90,000 went for a house in Boca Raton, Fla., but it did not detail where it believes the rest of the money went. It said Cody told friends he paid for the house out of his own pocket.

Monsignor Francis A. Brackin, vicar general of the archdiocese, said in a statement that the newspaper's charges were "so ambiguous as to hamper a point-by-point rebuttal" but said "the cardinal with his bishops and staff steadfastly deny the charges and implications made by those charges."

She said she was unaware that a federal grand jury had subpoenaed her financial records from an investment firm where she has an account.

Joseph Zingrich, senior vice president and secretary of the St. Louis based brokerage firm, Stifel, Nicolaus & Co., told the Sun-Times his company had received a subpoena for Wilson's records and said, "I gave them everything they asked for."

The Sun-Times said its own investigation determined Wilson's wealth grew from "relatively meager holdings" in the mid-1960s to a current value of nearly \$1 million.

The newspaper said reporters learned that in addition to cash for the house, Cody has given gifts of money to Wilson over the years.

The newspaper said that in addition to her Boca Raton home, Wilson also maintained a luxury apartment in Chicago in the early 1970s and later rented an apartment in St. Louis. It said she sold the Boca Raton home in 1972 and bought a \$61,000 condominium in the same city. It also said she belonged to an exclusive club in Florida, drove a luxury car and dressed in furs and designer clothes.

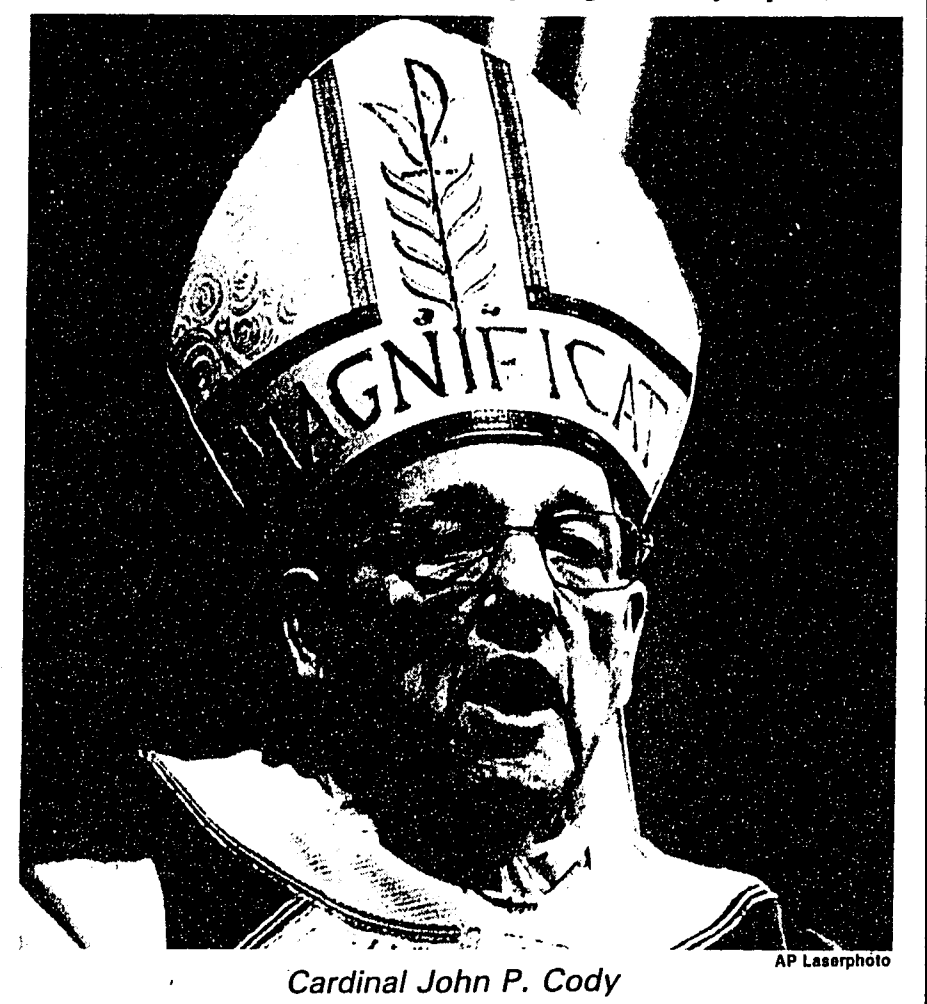
Wilson confirmed that she had lived briefly in Chicago and once owned a home in Boca Raton, but said accounts of her finances were inaccurate and exaggerated so much that "I could almost laugh about it."

A spokesman for the Sun-Times, Dan Vosburg, said the newspaper had no comment on its story.

The Sun-Times said the two church bank accounts under investigation were controlled by Cody and received deposits of more than \$1 million from 1966 to 1973. The accounts, which still exist, were never audited, the newspaper said, adding that a church source said the accounts were considered Cody's private discretionary funds.

One account had been established prior to Cody's becoming archbishop in Chicago and was used to provide donations to foreign and domestic bishops and priests on official visits to Chicago. The second fund was set up by Cody and reportedly was used to pay utility, grocery, entertainment, travel and other expenses related to operating the church-owned mansion in Chicago where Cody lives.

Wilson was described by associates of Cody as a close friend and a relation by marriage. Wilson's father married Cody's aunt in 1912, about a year after her mother died, the Sun-Times said.



Cardinal John P. Cody

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