

British declare 200-mile war zone

By The Associated Press

As Britain yesterday declared a "total" war zone 200 miles around the Falkland Islands, Argentina's navy was reported in the zone ready to fight and the United States warned the situation had reached a critical point.

The Defense Ministry in London said the "total exclusion zone" would take effect at 7 a.m. EDT tomorrow, and the British Broadcasting Corp. said there was a strong possibility of a British attack tomorrow night or Saturday morning.

British defense sources said weather conditions in the South Atlantic were "deteriorating rapidly, with 70 mph winds on the way," heightening speculation that Britain's armada would act quickly.

Argentina, while saying it was studying a U.S. peace plan relayed by Secretary of State Alexander M. Haig Jr., put its forces on "maximum alert" and predicted a British attack on the Falklands in 24 to 48 hours.

Argentine naval sources in Buenos Aires said the nation's fleet was deployed in the South Atlantic, including the announced "total exclusion zone."

"We're doing all we can through diplomatic channels to avoid a war, but if (the British) want war, they will have it because we will have no alternative but to defend ourselves against an attack," said one of the sources, who requested anonymity.

Rear Adm. John Woodward, the task force commander, was quoted in British newspapers yesterday as saying the Falklands campaign "could become a long and bloody" one. He was quoted as saying the British armada "must be a pretty daunting prospect to any of the Argentinians and they will need to be very brave men if they wish to take us on." But he added he held out hope for a "political solution."

In Washington, a senior State Department official who declined to be identified said, "We are now at a point where it is almost imperative that the two sides agree" to U.S. proposals to end the conflict.

Regarding the British war zone announcement, Dean Fischer, the State Department spokesman, said, "It is quite clear in light of this announcement that the crisis has reached a critical point."

He also said consideration was being given to another meeting between Haig and Argentine Foreign Minister Nicanor Costa Mendez, who was in Washington for a meeting of the Organization of American States.

Fischer said Haig has submitted proposals to resolve the crisis to both London and Buenos Aires "and we are awaiting a response."

However, the senior U.S. official said Haig believes "time is getting very, very short" because of "the movement of military forces."

The war zone announced by the British Defense Ministry extended the maritime blockade of April 12 that was designed to prevent Argentina from reinforcing the Falklands by sea. Argentine planes have continued to fly in troops but large ships have kept out.

The announcement bolstered speculation that Prime Minister Margaret Thatcher, her patience exhausted with Argentina's failure to withdraw its troops after seizing the islands on April 2, is now ready to order the British armada to recapture the Falklands in an all-out assault.

British government sources reported a Cabinet meeting held shortly before the war zone announcement produced "no fresh optimism" that a negotiated settlement can be reached.

"The situation is extremely tense," one British defense source in London said. "The government is now turning the thumbscrew and applying psychological and political pressure on Buenos Aires," a reference to the total war zone that makes any unauthorized ship or plane in the zone subject to attack.

The source, who asked not to be identified, said that a squadron of between six and nine long-range Vulcan bombers has been positioned on Ascension Island.



Photo by Suzanne Tyrrell

Take it off!

Carlotta, a female impersonator who is a member of The Salt Water Tuffles, struts her stuff at Mr. C's last night leading the audience in anticipation of the ultimate performance — a strip tease extraordinary!

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Reagan, O'Neill fail to resolve budget disputes

By DAVID ESPO
Associated Press Writer

WASHINGTON (AP) — Negotiations on a budget compromise collapsed yesterday when President Reagan and House Speaker Thomas P. O'Neill Jr. failed to resolve their tax and spending differences during three hours of face-to-face bargaining.

The president scheduled a television address to the nation on the budget for 8 tonight, the White House said in asserting that the president was not "met half way."

O'Neill said the unsuccessful compromise efforts showed a "basic philosophical disagreement" between the White House and Democrats in Congress. He said Reagan believes his "spending cuts of last year, which he wants to cut some more, are not hurting anyone out there in America."

Democrats said the talks ended when they rejected a last-minute compromise proposal from Senate Republican Leader Howard H. Baker Jr. that Reagan had accepted. It called for a three-month delay in the 10 percent income tax cut scheduled for July 1983 coupled with a three-month delay in the 7.4 percent Social Security cost-of-living increase scheduled for this July.

"The meeting broke up in disagreement," Baker told reporters after Reagan's Capitol meeting with top officials of his administration and Republicans and Democrats in Congress.

"I see no realistic prospect that a bipartisan package can be put together," said Baker, who nevertheless held out the possibility of additional talks between the White House and Congress at a later date.

Baker and Sen. Paul Laxalt, R-Nev., another negotiator, agreed that the differences separating the two sides in the budget dispute were deep philosophical disagreements and could not be overcome under the circumstances.

"I rather think now, looking back, that maybe this effort was dead in the water from the beginning," Laxalt said. "The philosophical differences are too deep."

O'Neill did say the meeting produced an agreement on a deficit target for each of the next three years: \$105 billion to \$110 billion for 1983; \$78 billion in 1984, and \$35 to \$40 billion in 1985.

Baker said the president offered to

"extend the effective date" of the 10 percent personal income tax cut scheduled for July 1983, perhaps by 90 days.

"That was not agreed to," Baker said.

He also said Reagan offered to "split the difference" on the issues remaining in dispute" after more than a month of private negotiations between White House aides and leaders of Congress.

"That was not agreed to," he said, again.

"I think the president was very disappointed," Baker said. "I don't think anybody's to blame in a matter like this. I don't doubt Speaker O'Neill's dedication and conviction to his principles and certainly not the president's . . ."

"The mood was never bitter," the majority leader said. "The controversy was substantial, and voices were raised on occasion. The president and the speaker were very emphatic in expressing their points of view, as were the others. But there was no bitterness, no personal animosity, and I do not wish to create the impression that anyone challenged the conviction and sincerity of any other person on either side of the table."

Meanwhile, the chairmen of the House and Senate Budget Committees said their panels would begin work swiftly on drafting their own spending plan.

Sen. Pete V. Domenici, R-N.M., said the Senate committee would begin this afternoon, although officials said it would be next week before the panel completed its work.

Rep. James Jones, D-Okla., said his committee would probably begin next week.

Efforts to reach a compromise had been aimed at replacing Reagan's unpopular spending plan with a new blueprint that would bring the deficit below \$100 billion for the fiscal year that begins Oct. 1.

Without action by Congress, officials estimate the deficit will be \$182 billion.

Treasury Secretary Donald Regan said the failed compromise effort might delay recovery from the current recession. "The business cycle will end (but) not as quickly or as vigorously as we would like," he said.

But Regan also said interest rates would come down, declaring, "They can't stay up there forever."

Loans to be available summer

By BRIAN E. BOWERS
Collegian Staff Writer

Guaranteed student loans will be available to students attending the University Summer Term 1982, the director of the Office of Financial Aid said yesterday.

John Brugel said funding for the loans, which were not scheduled to be available, came from the repayment of former loans. More former students repaid than were predicted, making additional funds for summer student loans available.

Loan repayments this fiscal year totalled about \$2.6 million, which exceeds the expected total by more than \$300,000, he said.

The loans will be available to graduate and

undergraduate students already attending the University, Brugel said. Students attending their first term at the University this summer may receive funding from next year's funds.

The amount of money each student receives will depend on need, he said, and also whether the student is a former recipient.

James B. Bartoo, dean of the Graduate School, said the loans will greatly aid graduate students because they are more dependent on financial aid during the summer when few have assistantships.

"Any financial aid is a help to us," he said. Bartoo said one of the primary criticisms of the guaranteed student loan program is that students sometimes default on their loans.

Poland promises release of 1,000

Sweeping easement of martial law restrictions announced

By THOMAS W. NETTER
Associated Press Writer

WARSAW, Poland (AP) — The martial law regime announced yesterday it will release 1,000 Poles from detention, lift the nighttime curfew and ease travel and communications restrictions beginning next week.

It said Jan Kulaj, who led the farmers' branch of the suspended independent union Solidarity, had already been released.

The announcement, broadcast on Polish television, represented the most sweeping easing of martial law curbs since the Dec. 13 military decree ended 16 months of labor upheaval and social reform here.

It came hours after Archbishop Jozef Glemp announced in Rome that Pope John Paul II was postponing his planned August visit to Poland.

There was speculation that the Polish-born pope may have agreed to put off his visit in exchange for human rights concessions by martial law authorities.

Glemp, Poland's Roman Catholic primate, is in Vatican City this week for talks with the pope about church policy opposing martial law. He met with Premier and Communist Party chief Wojciech Jaruzelski on Sunday, the eve of his departure.

Glemp has called on the government repeatedly this month to release the women who make up about 20 percent of the 3,100 Poles interned under martial law. Almost all those detained are Solidarity activists.

"Because of the further stabilization of the situation in the country, the minister of internal affairs has ordered the release of 800 persons interned and placed on leave 200," the announcement said.

"The decision affects those persons whose hitherto behavior allows the conclusion that their further behavior will not become a threat to social peace and the security of the state."

The announcement made no mention of the

military council's stand on reviving Solidarity, or say if the union's leader, Lech Walesa, would be among those released.

It said however that Rural Solidarity leader Kulaj already was freed, and quoted the released prisoner as saying he would "welcome" the chance to work with the state-controlled farmers' party.

Kulaj, who represented the 2.5 million private farmers among Solidarity's 9.5 million members, has been held in isolation since the Dec. 13 crackdown.

His release indicated the importance the Communist regime placed on private farmers, who produce about 70 percent of Poland's food.

The government also announced that the 11 p.m. to 5 a.m. curfew imposed last December will be lifted beginning Sunday, and that the decision to reimpose it would be left to provincial governors.

Other curbs it said would be lifted in May include: Requirements for permits for gatherings and assemblies organized by approved government committees, courses, conferences and training meetings organized by operating social groups and tourist excursions organized by factories and institutions.

A ban on travel to areas along the Czechoslovak border.

A ban on issuing visas for representatives of industrial firms and foreign trade or diplomatic missions.

Requirements that operators place domestic telephone calls.

Both the ruling military council and the Interior Ministry issued separate communiqués, however, warning that the eased restrictions did not mean an end to arrests and detentions.

"Internment can be applied throughout the duration of martial law," the Interior Ministry said. "Decisions on internment are taken also with respect to persons who, after their release from isolation centers, have not taken the opportunity to return to normal life and resumed illegal activity."



Lech Walesa — still no word on status.

'The decision affects those persons whose hitherto behavior allows the conclusion that their further behavior will not become a threat to social peace and the security of the state.'

— Polish government announcement

Correction

Because of a reporter's error, the man charged with leaving the scene of an accident involving personal injury was incorrectly identified in yesterday's Daily Collegian.

The man University Police Services is seeking in connection with leaving the scene of the April 16 hit-and-run of a University student is James Edward Henry, 31, University Police Services said yesterday.

James Edward Henry, address unknown, is a former University student, but police said they are not sure if he graduated.

inside

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weather

Mostly sunny today, high around 63. Fair and cold tonight, low near 36. Partly sunny and milder tomorrow, high in the upper 60s.

—by Mark Stunder

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