

Watt's remark sparks outrage

By MARTIN CRUTSINGER
 Associated Press Writer

WASHINGTON — Six Republican senators demanded yesterday that Interior Secretary James Watt resign for his latest misstep into what one termed "a panorama, not of error, but of bigotry and hate." Instead, President Reagan accepted a formal letter of apology from Watt.

The cabinet officer begged Reagan's forgiveness for "his extraordinarily unfair" remark a day earlier about "a black ... a woman, two Jews and a cripple" on an advisory panel. Reagan, asked if he were going to fire Watt, took note of that apology and said "I've accepted it."

But in the worst assault yet from members of his own party, six GOP senators said it should have been a letter of resignation that the president accepted. "We don't need the apologies any more," said Sen. Bob Packwood, R-Ore. A host of Democrats, long critical of the secretary, joined the outcry in both the Senate and House.

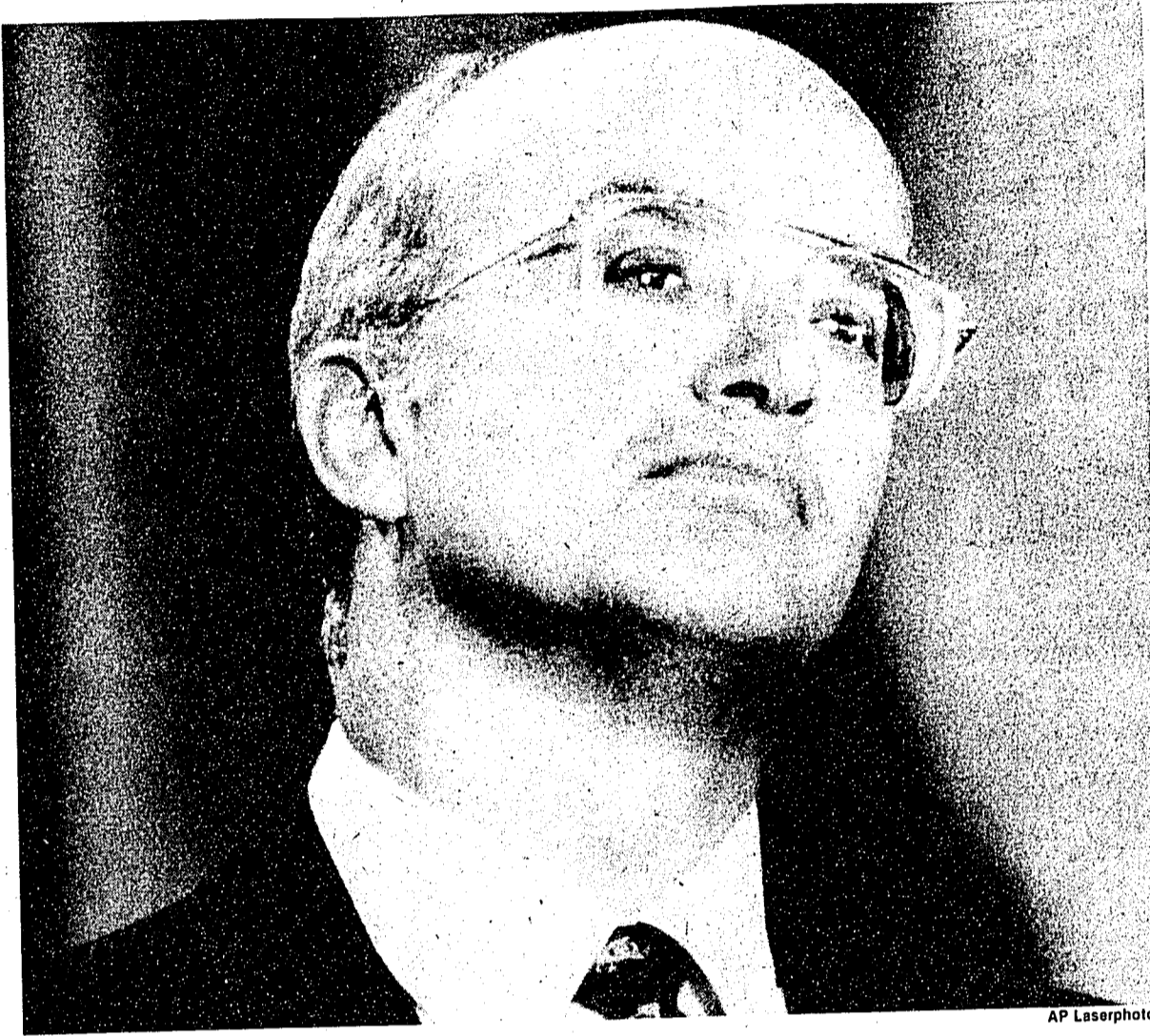
Two Republican leaders, Senate committee chairmen Robert Dole of Kansas and Pete V. Domenici of New Mexico, stopped just short of demanding Watt's ouster.

"To me it's gone on long enough," said Dole, a disabled war veteran and chairman of the Finance Committee.

Domenici, chairman of the Budget Committee, advised Watt to "take another look" at his past promise to Reagan to resign if he became a liability to the administration.

Watt sought to defuse the episode by sending a letter to Reagan expressing deep regret for his remark and asking for forgiveness. "I have made a mistake," he said.

"Upon reflection, I realize that I owe a personal apology to you for my unfortunate remarks yesterday about the coal leasing commission," Watt wrote.



James Watt

Presidential spokesman Larry Speakes said Reagan had not sought the letter, nor Watt's resignation, and that the interior secretary had not offered to step down.

But members of both parties said Watt's latest faux pas should be the final straw of his tenure.

The resignation demands were prompted by comments Watt made Wednesday in a speech to the U.S. Chamber of Commerce, in which he described the coal advisory commission he appointed as having

"every kind of mixture ... I have a black, I have a woman, two Jews and a cripple."

In his letter to Reagan yesterday, Watt said his remarks were "well intentioned and not meant to insult or cast a slur upon any groups or individuals within our society."

Watt spokesman Doug Baldwin said the secretary also was calling each member of the commission to apologize. Commission Chairman David Linowes, an economist at the University of Illinois, said the group

"believes that Secretary Watt's comments were unfortunate, and regret that they detract from the important work that lay before it."

Assistant Senate Majority Leader Ted Stevens, R-Alaska, was one of the few coming to Watt's defense yesterday.

"He was trying to be light, it came out heavy," Stevens said. "I've known Jim Watt a long time and I know he didn't mean what he said."

State's recovery lags behind nation

By ANITA J. KATZ
 Collegian Staff Writer

While two economic surveys published this month indicate a general surge in national employment, both show Pennsylvania lagging behind the recovery.

One survey, conducted quarterly by Manpower, Inc., polled 11,400 employers in 354 U.S. cities concerning their hiring intentions for October, November and December.

According to the survey, 26 percent of the employers polled planned to increase their workforces during the fourth quarter of this year, while 9 percent planned decreases.

Many of these employment changes are seasonal, the report said.

Hiring in the Northeast region is predicted by the survey to be below the national level. However, the figures for fourth-quarter hiring in the area are the best since 1978.

A majority of the firms polled — 62 percent — indicated no changes in hiring, and 3 percent were unsure of their hiring intentions.

In comparison, the survey reports that only 18 percent of the employers polled this time last year indicated hiring increases, and 14 percent expected cutbacks.

The survey reports hiring increases in durable goods manufacturing, transportation and public utilities, government and educational institutions and the wholesale and retail merchant industries. Decreases in employment are expected in construction, finance, insurance, real estate and service industries.

According to the latest issue of the Pennsylvania Business Survey, published by the University in September, the seasonally adjusted unemployment rate for the state in July was 11.1 percent, down from 12.6 percent in June. In January, the state's unemployment rate registered a high of 13.6 percent.

The survey reports that employment in the state rose above the 5 million mark during July — the first time employment has been that high in nearly a year.

Recoveries in production and employment in several non-farm industries were noted by the report.

Both employment in the state's contract construction industry and the value of contract construction awards increased in July. However, the survey reports that the current job level is still 27 percent below the level in 1979.

The State College area has experienced double digit unemployment rates for six or seven months, Clemson said, with the July figures at 10.2 percent.

The trend for 1983 was decreasing unemployment rates, due to seasonal employment and the fact that some manufacturing industries in the state are showing signs of recovery, he said.

A fact sheet of June employment rates, published by the Pennsylvania Department of Labor and Industry, ranked Centre County 42nd in the state for unemployment.

Allegheny and Philadelphia Counties were ranked 33rd and 52nd, with unadjusted unemployment rates of 14.2 and 10.7 percent respectively.

Michael Wasylenko, associate professor of economics, said the trend of declining unemployment in the state was recent compared to the trend in the nation.

The manufacturing industry showed slow improvement in July, with its adjusted employment rate up 1.2 percent since its low in April. Continued improvement is expected, according to the report, as the average weekly hours worked by production workers increase.

Also, the state's mining industries showed some improvement during the month. Although mining production remains below last July's level, production has increased 10 percent since December 1982, the survey indicates.

However, the recovery of the state's steel industry still lags behind the nation's recovery.

In July, the state produced 15.8 percent of the nation's steel, down from 16.7 percent in June. The state is third in the nation for total steel production, following Indiana and Ohio.

The recession has had its greatest effect on heavy industries, Wasylenko said, such as steel production, coal mining, and durable goods manufacturing. "Pennsylvania will continue to lag behind the rest of the country because of its steel and coal industries, but it will continue to grow in other areas," he said.

Ron Filippelli, head of the University's Labor Studies department, said the state's economy has had an affect on the trade union movement.

The industries hardest hit by the economic recession have also been those that are the most highly unionized, Filippelli said. As a result, the trade union movement has seen a decline in membership and a moderating trend in wage increases.

Filippelli said he believed another trend could be a decrease in labor disputes and strikes, because industrial workers are more desperate to keep their jobs.

Areas such as State College, where the University is the main employer, and Harrisburg, where jobs in the service industry or government predominate, have been less affected by the ups and downs of the economy, he said.

Current trends indicate the state's economic recovery will lag behind the nation's because of the state's high reliance on heavy industry, Filippelli said.

"It is hard to predict the state's economic future since the state is in an economic transition from heavy industry to lighter manufacturing and technology."

French warplanes launch attack on Druse posts

By ROBERT H. REID
 Associated Press Writer

BEIRUT, Lebanon — French warplanes bombed Druse and Palestinian batteries Thursday after artillery fire wounded four Foreign Legionnaires, and the Lebanese army fought off another Druse attack on Souk el-Gharb.

The bombing run, which a Lebanese military source said involved eight Super Etendard jet fighters, was the first air attack by a member of the four-nation peacekeeping force in Beirut.

U.S. warships have been firing all week at Druse and Palestinian positions, but American carrier jets have been confined to reconnaissance flights so far.

Two other French soldiers were wounded by a grenade Thursday, and the shelling which triggered the air attack also blew up an Italian ammunition dump. But no Italian

casualties were reported. Beirut radio reported Thursday night that 40 rockets struck the coastal town of Byblos, where the Lebanese have a new military airfield 22 miles north of Beirut.

The state-run radio said other shells landed on army positions in Khalde, near Beirut's international airport where the 1,200-man U.S. Marine peacekeeping contingent is based.

U.S. Navy F-14 Tomcats from the carrier Eisenhower made reconnaissance passes over Beirut and the nearby mountain battle area. But the guns of the U.S. Navy task force off the Beirut beaches were silent following barrages at midnight and 3 a.m. in retaliation for the second night of shelling around the residences of U.S. Ambassador Robert Dillon and President Amin Gemayel in the eastern suburb of Baabda.

The United States has backed the

Lebanese army in its fight to hang on to Souk el-Gharb. Loss of the city would be severe setback for the embattled army and for the Gemayel government. The battleship New Jersey was to join the U.S. armada Friday.

On the diplomatic front, Saudi Prince Bandar bin Sultan and U.S. presidential envoy Robert C. McFarlane flew from Saudi Arabia to Damascus, continuing their attempt to mediate a cease-fire in the 19-day-old renewal of the Lebanese civil war.

They met in Damascus with Druse leader Walid Jumblatt, and McFarlane then flew to Beirut to meet with Lebanese leaders.

Beirut Radio said Gemayel telephoned the governments of Morocco, Iraq and Jordan to brief them on the situation in Lebanon.

A French spokesman said four legionnaires were wounded when a

large shell slammed into their camp just inside west Beirut. Two other French soldiers were wounded by a grenade thrown at their truck in an area controlled by Amal, the Shiite Moslem militia.

An Italian spokesman said rockets rained down on the Italian compound on the southern edge of the city, and two others hit an Italian ammunition dump near the Christian neighborhood of Hazmieh. The rockets set off a chain of explosions in the dump, and "we lost almost all our stores," said the spokesman.

The French carrier planes struck back some hours later, and one Western military source said they struck at Druse positions near Souk el-Gharb. The government's Radio Beirut said they raided the mountain villages of Dhour Shweir, Bhamdoun, Ain Dara and Abadiye; all in areas occupied by Druse, Palestinian or Syrian forces.

Student loans:

Defaulting federal employees will have money taken from their pay

By CHRISTINE MURRAY
 Collegian Staff Writer

Beginning Nov. 1, the U.S. Department of Education will implement a salary offset program to collect money from defaulted student loans from federal employees.

More than 46,000 federal employees owe the government over \$67 million in defaulted loans, said Frank Krebs, management analyst for the student loan collection task force.

The department expects to collect \$40 to \$50 million by using this program, he said. The default rate for National Direct Student Loans at the University is one of the lowest in the country at 6.06 percent, said George L. Lane, University controller.

About \$35 million is owed to the University in defaulted loans. About 19,000 people owe the University money, he said.

"We're one of the best in the country at collecting this money," Lane said.

The University is aided by a number of collection agencies when people disregard notices sent to them concerning repayment of loans, Lane said.

"After we've exhausted all our capabilities to collect, we turn them over to a collection agency," he said.

While Penn State has a very low default rate,

Lane said some other universities have a default rate higher than 30 percent.

The government said that all universities must keep the default rate of NDSLs below 10 percent if they want to continue receiving money from the government.

The NDSL program is a revolving loan program. When the loan is paid, then more loans can be made to students.

The Department of Education has notified federal employees with outstanding balances on student loans and will give them 30 days to respond to the notice, Krebs said.

If no response is received within the time period, the department has authorized agencies to take 15 percent of the workers net pay out of each paycheck and forward it to the department until the loan is paid.

Krebs said notifying defaulters is an ongoing process and the salary offset program is not necessarily used, especially when nonfederal employees are involved.

"We have to rely on our own private collection efforts," he said.

Another way of collecting defaulted loans is by obtaining a legal judgment and notifying the defaulter's employer of the circumstances, Krebs said.

If a borrower refuses to pay back the loan, the Department of Education can take legal action

and sue the borrower, Krebs said.

If judgment is granted in such a case, then the employer is notified and 25 percent of the defaulters net pay will be forwarded to the department until the loan is paid back.

However, Krebs said most people do not want their employers to know about an outstanding loan so they begin to pay it back before it reaches the legal stages.

The Pennsylvania Higher Education Assistance Agency is also cracking down on loan defaulters by directing that Orders of Default be entered against 2,523 borrowers who defaulted on their loans.

According to a prepared statement, the agency is making an effort under a new statement of claim law enacted by the Pennsylvania General Assembly.

The claim requires state employees who defaulted on student loans to pay 10 percent of their net pay to the agency until the loan is paid.

"The administrative loan process is expected to save taxpayers more than \$162,000 in pursuit of these 2,523 defaulters against whom the PHEAA Board voted to enter orders of default," the news release said.

The amount is an estimate of the costs for legal filing and processing of fees in the sheriffs' offices and courts.

Friday

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weather

Partly sunny and cool with a brief shower possible today. High of 56. Mostly clear and cold tonight with a low near 38. Sunny and pleasantly cool tomorrow. High near 62.
 —by Glenn Rolph