



A Palestinian boy stares into the distance as Tripoli's oil refinery burns in the background after being shelled.

## Mideast fighting escalates

By FAROUK NASSAR  
Associated Press Writer

BEIRUT, Lebanon — Shiite Moslem gunmen fought Lebanese soldiers near U.S. military positions Monday, wounding a Marine and forcing authorities to close the airport for the first time since a truce took effect six weeks ago. The Syrian government ordered a full mobilization of the 220,000-man army, saying it feared an attack from the United States or Israel. But the Americans and Israelis said there were no attack plans.

In northern Lebanon, Palestine Liberation Organization chairman Yasser Arafat's loyalist guerrillas, trapped in their last Middle East stronghold by advancing Syrian-supported militaries, fired rockets and mortars at rebel positions to counter a barrage of hundreds of shells. Police said 1,000 people have been killed and 3,000 wounded since the PLO war began Thursday.

Arafat, who has accused Syria of backing the rebels because it wants to take over the PLO, told reporters in Tripoli that the Syrians were

planning to overrun his Baddawi refugee camp and invade Lebanon's second-largest city.

In the Israeli-occupied West Bank of the Jordan River and the Gaza Strip, there were widespread demonstrations in support of Arafat. At least one demonstrator was wounded in clashes with Israeli authorities.

U.S. Marine spokesman Maj. Robert Jordan said the leathernecks in Beirut dived into bunkers and foxholes when fighting broke out near their airport compound and returned fire when snipers shot at them.

He said a Marine was wounded and "treated on the field."

State radio said the airport closed because of the fighting between Shiite gunmen and the Lebanese army, and that air controllers diverted planes to Cyprus. It was the first time the airport closed since a cease-fire aimed at halting the country's chronic civil war took effect Sept. 26.

The radio said later that artillery shells were slamming into Christian towns along the coastal highway

north of Beirut for the first time since the truce was declared. There were no immediate reports of casualties.

In Damascus, a spokesman for President Hafez Assad confirmed reports that Syria had put its 220,000-man army on alert and called up its 100,000-man reserve force, fearing an Israeli attack or U.S. retaliatory strike for the terrorist truck bombing of the Marine base Oct. 23 that killed 230 Americans.

"The Syrian people will prove to both the U.S. and Israel that Syria is not and will never be something they can swallow up," said the spokesman, who spoke on condition he not be identified.

U.S. officials have not accused Syria of engineering the attack but implied the Syrians knew about plans to bomb the base and a French post nearby that left 58 French soldiers dead. Officials in Washington said there are no plans to retaliate against Syria.

The State Department urged Syria to exercise "restraint and

prudence," and tried to dampen speculation that a second U.S. aircraft carrier battle group sent to the eastern Mediterranean was part of a buildup to strike Syrian forces.

Military sources in Washington said the carrier John F. Kennedy, which heads the battle group, is expected to sail through the Suez Canal to the Indian Ocean, to replace the carrier Ranger. The Ranger had an engine room fire last week that killed six sailors and injured 43 others.

Israel has said Syria helped plan a bombing in Tyre last Friday that killed 28 Israelis and 32 Lebanese and Palestinians, but Israeli officials say they do not intend to attack Syria. An Iranian-backed Lebanese Shiite Moslem group has claimed responsibility for all three truck bombings.

Moslem politicians have joined Beirut-based Shiite leaders in calling for a nationwide general strike Tuesday to protest Israel's occupation and restrictions imposed in southern Lebanon after the Tyre bombing.

## Deregulation

Local banks faced with decision to merge or to stay independent

Editor's Note: Following is the second in a two-part series examining the deregulation of the banking industry. Today's story takes a look at the local effects of deregulation and future effects and trends within the industry.

By Dan Levine  
Collegian Staff Writer

The deregulation of the banking industry has caused local banks to reanalyze the best ways to conduct their businesses, said Dean E. McKnight, regional vice president of Mid-State Bank.

"The trend seems to be developing in this direction: either you are going to stay independent or look around and get bigger," he said.

McKnight said local banks are handling effects of deregulation differently.

"Deregulation was something the banks lobbied for. We wanted it," he said. "But we didn't know what to do with it once we got it."

McKnight said Mid-State Bank is responding to the competitive pressures caused by deregulation by upgrading financial guidance.

"We need to become better financial advisers, and the way for a bank to respond to that is to pay attention to the marketplace, educate their people to the change, and then share that education with the customer base," McKnight said.

Some individuals are staggered by what is happening, he said. Many people who are not close to the financial market are nervous.

McKnight said the key is to educate people in order to remove that financial burden.

"It is probably the strength of the banks — against our competition — that people do feel comfortable with us," he said. "They feel like they can trust their banks."

McKnight said a second way to respond to the competitive challenge is through mergers, which insulate banks from pressure and merely allows them to let someone else make the decisions.

"There will be some genuine competitive pressures to merge where bank management is not capable of making those decisions because of a lack of training or a lack of skills in those areas," said McKnight. "There will also be banks that are forced to merge because of automation."

He said Mid-State's goal is to be a strong

regional bank and has no mergers planned. McKnight did not, however, preclude Mid-State merging with another bank of a comparable size or "someone smaller who would care to go with us, rather than a big city bank."

David N. Thiel, vice president and cashier of People's National Bank, said that his bank is responding to deregulation by planning to merge with Farmer's Community Bank.

"It won't be a holding company situation; it will be a straight merger, so they will become People's National Bank offices," Thiel said. "We feel there are a lot of economies in combining the data processing and advertising functions, and a lot of things that they do make sense to have us both be doing together," he said.

Thiel said that because all but one of Farmer's Community Bank branches complement People's National Bank's locations, it opens up a much wider area for Centre County customers to do their banking.

Although Thiel said he believes the "really small banks are somewhat doomed," he also said he believes there is a market for the intermediate, medium-sized bank to compete with a bank the size of Mellon National Bank.

"It doesn't scare us that Mellon is down the street. We feel we know the local area, we're dealing with local people, and we have local people running the bank," Thiel said. "We feel that there is still a market for that, and down the road there will always be an interest in that kind of banking establishment."

John W. Atkinson, senior vice president and branch administration division head for Central Counties Bank, said that Central Counties bank initially set up a holding company to respond to competitive pressures, and on Sept. 14, 1983 merged with Mellon National Corporation.

"I feel it will offer both our employees and our customers better financial services," Atkinson said. "We will be able to offer services that we possibly couldn't offer in the past."

Atkinson said these services include various cash-management services for which it is expensive to develop the computer software. He said the benefit is that it is already in place with a company like Mellon National Bank.

In addition, he said the purpose for joining Mellon's national automatic teller network, CIRBUS, was to give "all of our customers,

whether they be students or whomever, the availability of using the machines."

"We feel it is a plus for the students," Atkinson said.

Atkinson said one possible future effect of the automatic teller banking could be totally electronic banking.

"Someday we may be able to sit in our own living room and do all of our banking. We could have a completely different delivery system of services in the future," he said.

According to McKnight, of Mid-State, deregulation will help the saver but may discourage the borrower. He said it will not make it more difficult for the borrower to obtain credit, but it will make it more expensive for the person to obtain credit.

"For a long time our country subsidized the borrower at the expense of the saver. We were one of the few economies that did discourage savings and encourage borrowing," he said. "I think deregulation has changed that simply because the competition to pay higher dollars for savings accounts and money that is in savings accounts has forced loan interest rates up to cover that (cost)."

"Consequently, interest rates have remained somewhat higher than normal and they may never get back down to the traditional 5 or 6 percent because we are already paying that on savings accounts," McKnight said.

McKnight said banks will become more aggressive as a result of deregulation.

"It has created opportunity. What I see happening is a tidal wave of innovation. As the water levels out, the good people will float to the top," he said.

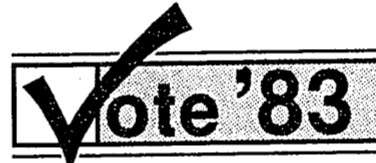
Moreover, McKnight said banks will be changing even more in the future.

"In another three years you will not even recognize the industry."

Thiel, of Peoples, said that the banking industry can anticipate more mergers and holding company acquisitions over the next few years.

"I think you've seen the first big wave, and now it is a matter for each bank to jockey a little further into position," he said. "I think the future of banking is with the automatic teller machines, although there is still going to be a need for tellers and loan officers."

## Student turnout vital; could decide elections



By ANNE CONNERS  
Collegian Staff Writer

On this election day, many student leaders are hoping students will shake off their political apathy and head to the polls to elect candidates for the State College Municipal Council who are receptive to their concerns.

"The student voice should be heard," Interfraternity Council President Adam Levinson said. "If the only thing they can hear is votes, then this is how we'll show them."

Levinson said 1,800 of 3,300 IFC and Panhellenic Council members are registered to vote in the election. And IFC will be making an extra effort to make sure that those students get out and vote, Levinson said.

Fraternity presidents were told to encourage their houses to vote at last night's IFC meeting. In addition, members of IFC's executive committee will be calling fraternities all day today reminding Greeks to vote. Because the polls are open until 8 p.m., Levinson said he expects many fraternity members to vote after they have heard IFC's final pitch during the dinner hour.

USG President Emil Parvensky said discussions about the noise and housing ordinances and the distribution of Community Development Block Grant funds have increased student interest in the race. Many students leaders believe student input on issues that relate directly to them have been ignored, Parvensky said.

Despite the statistics showing that student turnout is usually low, Parvensky predicted that the student vote could be the deciding factor in some of the council races.

"Even just a thousand votes could sway this election," he said. "We think the student vote is going to make a big difference. Perhaps more this year than any other year," Parvensky said.

Ideally, Parvensky said he would like to see 25 percent of the students on campus and 35 to 40 percent of the students downtown vote in the election. But Centre County voting records show that about 10 to 15 percent of the

registered student voters usually vote in primaries and general elections in non-presidential election years.

However, University associate professor of political science Robert O'Connor said the student voter turnout statistics are inaccurate and do not truly reflect students' voting patterns. The statistics about student voter turnout generally reported in the newspapers are usually the percentage of students who voted in a dormitory precinct. These precinct lists are outdated because students names are not removed when they move out of the dorm area, O'Connor said.

"The problem is that you have a lot of people still on the rolls that live in California," O'Connor said. "It's very likely that you'll wake up tomorrow morning and say someone like (Republican candidate R. Thomas Berner) or (Democratic candidate Ted Vallance) could not have won without doing really well in the student precincts."

In trying to elect candidates who are responsive to student needs, both Levinson and Parvensky stress they are not looking for pro-student candidates but simply candidates who are open-minded.

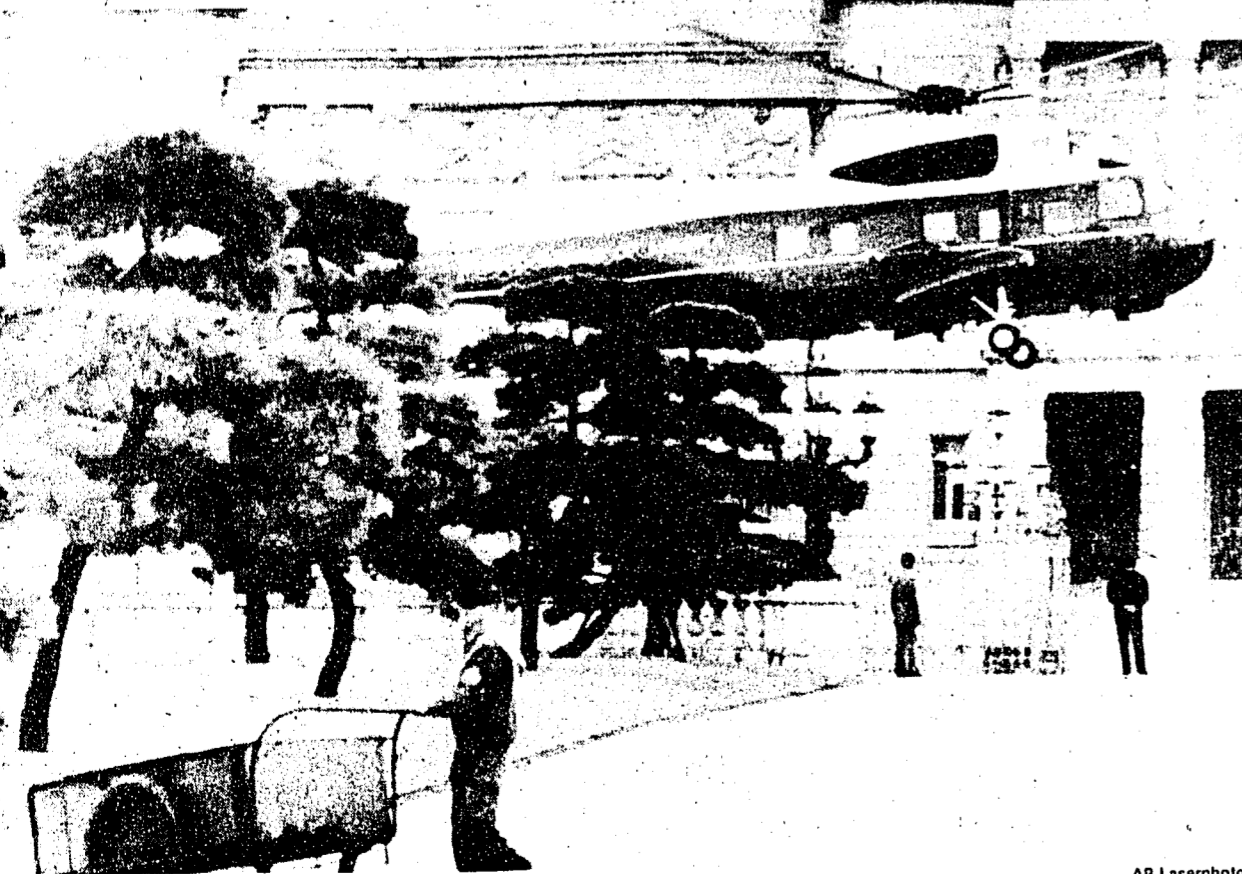
Parvensky said his organization wants to elect council members who see students as more than a group of transients and who "view students as part of the State College community."

USG's executive branch and IFC both endorsed incumbents Dan Chaffee and Mary Ann Haas and candidates James Bartoo and Lynn DuBois.

Another possible voting block in the election is the recently formed neighborhood associations. While the neighborhood associations have not formally endorsed any candidates, some have held candidate's nights and have encouraged their members to vote.

But O'Connor does not think the associations will make a big difference in the campaign. "My suspicion is that those are the people who were going to vote anyway," he said.

Two other major student organizations — the Association of Residence Hall Students and the Graduate Student Association — are not running any special voter campaigns today. However, GSA vice president Kim Zaugg said that her organization did register about 100 students to vote.



## Only a test

Marine One, the Presidential helicopter, practices landing at the Akasaka Palace in Tokyo. President Reagan will be staying there Nov. 9-28.

## Bomb blasts U.S. Capitol

By GREG MYRE  
Associated Press Writer

WASHINGTON — A bomb sounding like "a heavy clap of thunder" exploded near the Senate chamber inside the U.S. Capitol Building last night, blowing the doors off a reception room, but causing no injuries, police reported.

A group calling itself the Armed Resistance Unit claimed responsibility for the explosion and said it was in reaction to the U.S. invasion of Grenada and the presence of U.S. Marines in Lebanon.

"It went off in the vicinity of my office," said Senate Minority Leader Rober Byrd, D-W.Va., who was not in the building at the time. The bomb went off just outside the ceremonial Mansfield Room some 30 feet from the Senate chamber. Murphy said the explosion appeared to have been caused by two to five sticks of dynamite and that the blast left that area of the Capitol filled with smoke.

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### weather

Partly sunny and warmer today with a high of 59.....by Glenn Rolph