

# Prime rate up to 12 percent, highest level in a year

By JAMES F. PELTZ  
Associated Press Writer

Major banks nationwide raised their prime lending rates by one-half percentage point to 12 percent yesterday, the highest level in more than a year.

The increase was the second in the key borrowing rate in three weeks. But some economists said they did not expect the rate to climb again in the next few weeks, and for interest rates overall to stabilize.

While the boost had been anticipated on Wall Street, stock prices nonetheless fell to their lowest level in nearly a year, with losers outpacing gainers by more than 3 to 1 on the New York Stock Exchange.

The Dow Jones average of 30 industrials tumbled 18.01 points to 1,130.55, its lowest close since it stood at 1,124.71 last April 8.

First National Bank of Chicago, the nation's eighth-largest commercial bank by deposits, led the latest round of prime-rate increases. It quickly was followed by second-ranked Citibank and No. 3 Chase Manhattan Bank in New York, and by industry leader Bank of America in San Francisco.

The move lifted the banks' prime, or base, lending charge to its highest level since October 1982, when it also was 12 percent. The big banks had just raised their prime rates to 11.5 percent from 11 percent on March 19. But credit analysts said the latest increase was warranted given economic conditions.

The prime rate is a lagging indicator, in that it usually follows changes in other interest rates. Since rates in general have continued to edge higher in recent weeks, they

raised the banks' cost of obtaining funds for lending.

For example, the federal funds rate, the interest on overnight loans between banks, has climbed to nearly 11 percent from 10 percent on March 19 and 9.5 percent at the start of the year.

Also, as robust economic growth has continued, so too has demand for loans. That rising demand, together with the huge credit demands of the federal government, is putting further upward pressure on interest rates.

"Loan demand has definitely picked up in the last six weeks; as the economy expands, business develops a need for external financing," said Elliott Platt, an economist at the investment firm Donaldson, Lufkin & Jenrette Securities Corp. in New York.

In an interview with The Associated Press, Regan said he was "very concerned" about the level of interest rates, but said that if the prime rate did rise to 12 percent, "it will slow the economy but it won't kill it."

The prime rate is the base upon which banks compute interest charges on short-term business loans. Large, creditworthy borrowers frequently borrow at below the prime rate while smaller businesses typically pay one or two percentage points above the prime.

While the cost of an individual's loan might not be tied directly to the prime rate, the prime rate still is an indicator of how lending charges generally are moving.

The prime rate, which reached a record high 21.5 percent in December 1980, gradually worked its way down to 12 percent in October 1982 and then to 10.5 percent in February 1983. It then climbed to 11 percent last August.

However, some economists now expect the economy's growth to slow in the second quarter, and for the Federal Reserve to avoid a further tightening of credit.

As a result, "I would expect stability in short-term interest rates in the next few weeks," said Ted Gibson, senior economist at Crocker National Bank in San Francisco, which was one of the banks raising its prime rate.

The latest prime-rate increase came one day after Treasury Secretary Donald T. Regan predicted interest rates would soon reach a peak and then decline slightly by the end of the year.

# Space shuttle Challenger: Astronauts all ready for launch today after 'close call'

By HARRY F. ROSENTHAL  
Associated Press Writer

CAPE CANAVERAL, Fla. — The shuttle Challenger was set yesterday for its highest and most ambitious space voyage yet, a mission to stalk, capture and restore an ailing satellite to health.

One of the five astronauts had a close call when his training jet hit a flock of birds as he was preparing to take off on a practice flight. One engine failed and the flight was aborted, but he escaped injury.

At an afternoon weather briefing, the crew was told that conditions should be "super" for today's 8:58 a.m. EST launch from Kennedy Space Center: scattered clouds at 25,000 feet, light wind, and visibility of more than seven miles.

But Maj. Donald Green, an Air Force weather officer for the shuttle, cautioned that the slowly spinning satellite and use his nitrogen jets to stabilize it so the shuttle's robot crane can latch onto it and haul it into the cargo bay for repair.

The crane also will be used Saturday to deploy an 11-ton research satellite carrying 57 science, technology and materials experiments, including one that consists of 13 million tomato seeds. After 10 months in space, another shuttle crew is to retrieve the satellite next February and return it to Earth for studies of how the long exposure in space affected the materials.

The 5,000-pound Solar Maximum satellite, an elaborate observatory to study the sun, was placed in orbit on Feb. 14, 1980. But after 10 months it lost its ability to point with fine precision toward the sun. As a result, only three of seven instruments are working.

Nelson and van Hoften — nicknamed "Ox" — will unplug the satellite's attitude control system and plug in another one during their first six-hour excursion into the cargo bay.

Commander Robert L. Crippen, a 46-year-old Navy captain, will be making his third shuttle flight. It's the first trip for the other four crewmen: pilot Francis R. Scobee, 44, and mission specialists Terry J. Hart, 37; George D. Nelson, 33, and James D. van Hoften, 39.

Nelson, a doctor of astronomy who is called "Pinkie" by his colleagues, will don a jet pack on Sunday and flit about 200 feet to the satellite. He will attach himself to the slowly spinning satellite and use his nitrogen jets to stabilize it so the shuttle's robot crane can latch onto it and haul it into the cargo bay for repair.

The shuttle cost \$77 million, but its replacement cost today would be \$25 million, Dr. Frank Coppellina, manager of the project, said the repair cost will be \$45-\$55 million.

Hart and Van Hoften had planned to do some proficiency flying in T-38 jet trainers, but the exercises were scrubbed when one of Van Hoften's engines quit on takeoff.

NASA spokesman Steve Nesbitt said the plane ran into a flock of birds and one apparently was sucked into the engine, damaging it.

Van Hoften was not hurt, but NASA spokesman Steve Nesbitt said that had the flameout occurred seconds later, there could have been a dangerous situation.

for fueling to begin on schedule early Friday.

Should any problems force the launch to be postponed, NASA said it would be rescheduled for Sunday morning.

Challenger is scheduled to land on the Kennedy runway after six days and 52 turns around Earth. It will orbit at 300 miles altitude, the highest ever for a shuttle, to snare the satellite and to release it later.

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Last respects  
Marvin Gaye III and sister Anna attend the funeral services yesterday of their father Marvin, who was killed Sunday on the eve of his 45th birthday. Gaye's father is being held on \$100,000 bond in connection with the murder.

# Democrats lead GOP in voter registration

By The Associated Press

HARRISBURG — Democrats have widened their registration lead over Republicans to 945,957 for Tuesday's primary, a 39 percent increase since the November 1982 election, according to state figures released yesterday.

Democrats will have 3.17 million people eligible to vote Tuesday while Republicans will have 2.23 million.

Democrats' advantage over Republicans climbed by 39,515 since November. Democrats gained 555 voters while Republicans lost 38,960 voters. In November 1982, Democrats were ahead by 678,075.

Statewide, there are 5.66 million people registered to vote, compared to 5.56 million registered in November. The state has an estimated 8.3 million people over the age of 20, according to 1983 figures.

In Philadelphia, the state's largest Democratic area, the party boosted registrations from 835,720 to 909,458. Democrats lost ground, however, in a number of counties.

Philadelphia Republicans also boosted their numbers from 202,817 to 203,047. GOP losses elsewhere seemed spread across the state.

Democratic chairman Edward Mevinsky and Republican chairman Robert Asher were not available for comment when contacted by a reporter.

The figures released Thursday were based on unofficial returns from Erie, Lancaster, McKean, Pike and Westmoreland counties.

# The Lindbergh kidnaping: Federal judge dismisses suit brought by Hauptmann's widow

By PAMELA BROWNSTEIN  
Associated Press Writer

NEWARK, N.J. — A federal judge yesterday dismissed the last of the claims in a suit brought by the 85-year-old widow of Bruno Richard Hauptmann, convicted and executed for the 1932 kidnaping and murder of the infant son of famed aviator Charles A. Lindbergh.

U.S. District Judge Frederick B. Lacey said most of Anna Hauptmann's claims against the state, the FBI and the Hearst Corp. for its reporting on the case were filed too late or did not present sufficient evidence.

Lacey had dismissed the bulk of the case on Aug. 11 when he ruled there was little or no evidence to support Mrs. Hauptmann's charge that state officials had conducted a massive coverup for 50 years to conceal the truth about the case.

The judge also had ruled previously that Hauptmann's civil rights were not violated during the investigation or his widely publicized trial.

But the judge left open a few legal issues on which he heard arguments last December. Those were the claims he dismissed yesterday, including the widow's claims for \$100 million in damages from the state.

He dismissed the claims with prejudice, meaning they cannot be filed again.

Robert Bryan of San Francisco, Mrs. Hauptmann's attorney, said in a telephone interview that Lacey's ruling was "not the end of the case."

"We have lost a battle but the war is not over," he said. Bryan said he planned to ask for a new hearing and would appeal Lacey's ruling.

"If Richard Hauptmann were alive today, he would be acquitted with the evidence I've got," Bryan said.

Mrs. Hauptmann, of Yeadon, Pa., has contended since the arrest of her husband for the "Crime of the Century" that she was with him the night 20-month-old Augustus Lindbergh Jr. was snatched from his crib in the family's East Amwell home.

"I live through it every day," she said after the court hearing before Lacey last December.

In court papers, Mrs. Hauptmann and Bryan contended that the lawsuit was timely because she did not learn of additional information that would back a lawsuit until 1981 when New Jersey state police files on the case were opened to the public.

But Lacey disagreed.

Lacey said Mrs. Hauptmann could not contend that the state police files put her on notice that she had a cause for action. She already had filed her complaint by the time she inspected the records, the judge said.

In addition, Lacey noted that many of Mrs. Hauptmann's allegations appeared in the book "Scapegoat," an account of the trial by Anthony Scudato, published in 1976. Mrs. Hauptmann read one-third of the book, Lacey added.

He also said key elements of Mrs. Hauptmann's wrongful death claims — that the prosecution had fabricated evidence such as the ladder allegedly used by the kidnapper and the chest used to make it — were brought out at the trial and on appeal.

# Ambulance dispatcher is credited with saving baby

By The Associated Press

DOYLESTOWN, Pa. — When their 18-month-old son Matthew choked on an orange slice and began to turn blue, a terrified Barbara and Robert DiDomenico called for an ambulance.

"Hurry, please, my baby's choking," said the hysterical mother. "Please hurry. He's blue. Hurry, please. What can we do?"

DiDomenico, 32, held Matthew in his lap but could not get him to breathe. He thought his son would die in his arms.

But the voice at the other end of the phone was steady. Robin Thoman, a paramedic for eight years, said she thought of her own two daughters, now ages 6 and 9, and pictured what she would do for a choking child.

Her calm voice and life-saving instructions helped save Matthew DiDomenico's life last week.

Mrs. Thoman told the mother an ambulance was en route, then asked what the child was choking on.

"I don't know," the distraught mother replied.

Mrs. Thoman then asked how old the child was and told his mother to bring him close to her and listen to instructions. Mrs. DiDomenico handed the phone to her father, Donald Black, 62, at whose Warmistler Township home the family was staying.

The conversation, taped as part of the emergency routine, continued:

"What is he choking on, sir?"

"Carrots," Black answered. The family said later the boy had been eating carrots along with an orange, and they thought he had choked on the carrots.

"... Listen to me, I'm going to tell you what to do," Mrs. Thoman continued. "Put him over your hands. Turn him like on his stomach over your arms... Gently press on his stomach and pat him on the back at the same

time and wipe out his mouth of he starts choking it up so he doesn't swallow it back."

"His jaws are locked," Mrs. DiDomenico yelled. The baby was turning bluer and his parents' sobs got louder. Black asked, "Can you get an ambulance here?"

Mrs. Thoman assured him an ambulance was on the way. Then, again, she repeated the first aid instructions. Finally, she heard a baby's cry.

"OK, all right," Mrs. Thoman said. "Make sure you wipe it out of his mouth so he doesn't choke it back down... All right, is he breathing OK? Is he breathing OK?"

"Oh, he's all right," the mother said in a tearful voice.

DiDomenico said that about a minute later, the Warmistler police and ambulance crew arrived. Matthew was examined and later released in good health from Doylestown Hospital.

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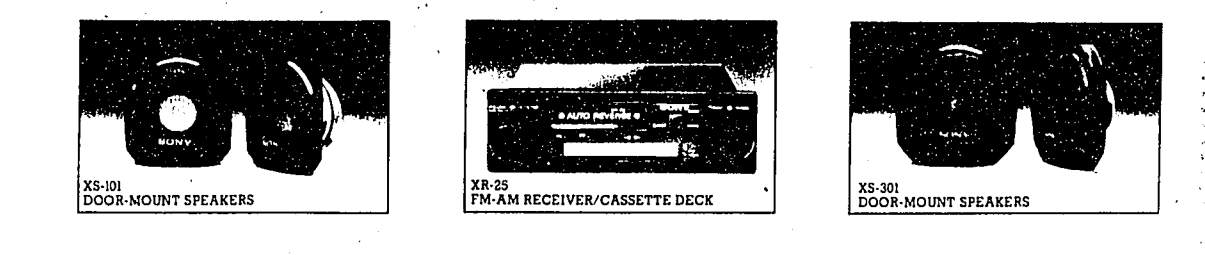
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