

Khadafy demands lifting of siege in London

By MAUREEN JOHNSON
Associated Press Writer

LONDON — With Britain and Libya in a diplomatic standoff, Libyan leader Col. Moammar Khadafy said yesterday he'd settle for "nothing else" but a lifting of the siege of his nation's London embassy.

Britain stuck to its demand to question the trapped Libyans and search the building for arms. And it brushed aside Khadafy's claims that British police were to blame for Tuesday's fatal shooting of a policewoman during an anti-Khadafy demonstration outside the embassy.

"His allegations are totally false," a Foreign Office spokesman said after Khadafy charged in a U.S. television interview from his capital, Tripoli, that British police and helicopters had attacked the embassy Tuesday.

The crisis began when a gunman firing from the embassy sprayed 70 anti-Khadafy

demonstrators with bullets, killing the policewoman and injuring 11 protesters.

"We have no gunmen here in this building and we have no guns or ammunition," insisted a man answering the phone at the embassy last night. He refused to identify himself.

"We are innocent. We have not harmed anyone nor broken any laws in this country," he said.

In Tripoli, Libyan Foreign Minister Ali Abdussalam Treiki met with British Ambassador Oliver Miles, the Libyan news agency JANA reported.

Tripoliradio, monitored in London, quoted Treiki as saying Britain's demand to search the London embassy is "unacceptable and is contrary to international traditions."

But JANA said "a common wish was confirmed at the meeting to deal with this matter and settle it amicably."

The British Foreign office said the meeting's atmosphere "was good, and both

'We are innocent. We have not harmed anyone nor broken any laws in this country.'

— An unidentified spokesman inside the Libyan Embassy

to use force against Tuesday's demonstrators.

"We had no specific information to lead us to believe that an incident of this kind would occur," the Foreign Office said in a formal statement. A spokesman refused to elaborate.

However, Britain's Independent Television News, in a report from Washington, said an unidentified American intelligence source had confirmed that a call between Tripoli and the London embassy was monitored at the U.S. National Security Agency headquarters at Fort Meade, Va.

"The same source adds that information from that call concerning the possible use of force was passed on," ITN reporter John Snow said.

He said between 10 and 15 Britons work at the NSA, and "they would learn almost immediately of any development affecting Britain."

As darkness fell, a police spokesman near the embassy said contacts with those inside were continuing and were "stable."

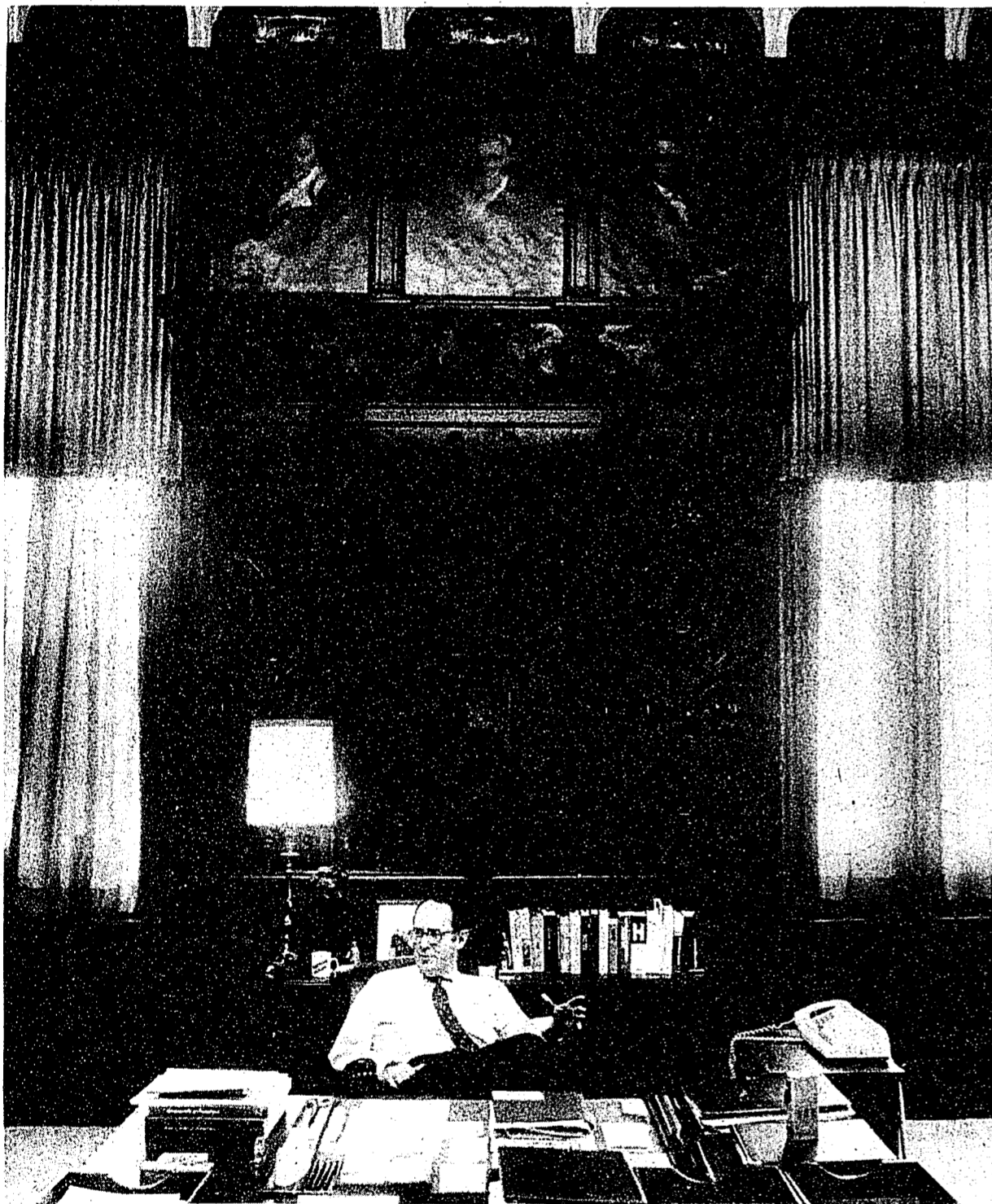
Home Secretary Leon Brittan, after heading two meetings of the Cabinet's crisis committee, visited police at London's hushed St. James's Square, where sharpshooters' rifles are trained on the five-story embassy and its estimated 20-30 occupants.

"It's a very impressive scene of steadiness, patience and resolve," said Brittan.

In Tripoli, where Khadafy's revolutionary guards on Wednesday lifted a two-day retaliatory siege of the British Embassy, placard-waving protesters staged a demonstration for two hours. One sign bore the message: "Jamahiriya (Libya) Love It or Leave It."

In major cities around the world, Libyan envoys called news conferences to reiterate charges of British "criminality."

PSU must strive to limit costs, Thornburgh says



Gov. Dick Thornburgh discusses University appropriations with members of The Daily Collegian staff in Harrisburg Wednesday.

Editor's Note: Several staff members of The Daily Collegian interviewed Gov. Dick Thornburgh and state Secretary of Education Robert C. Wilburn in Harrisburg on Wednesday. This article focuses on the state's proposed appropriation for Penn State and its effect on tuition. Please see related stories on pages 2 and 3.

By ANITA J. KATZ
Collegian Staff Writer

HARRISBURG — Gov. Dick Thornburgh said he believes the state has worked hard to stabilize the funding picture for Penn State, and it is now the University's job to keep tuition costs down.

"This year's 7 percent increase (in state appropriations) is a healthy one," Thornburgh said in an interview Wednesday.

Thornburgh's budget proposal, however, falls short of University President Bryce Jordan's request for a 20 percent increase in state appropriations this year.

Robert C. Wilburn, state Secretary of Education and University trustee, said that with some imaginative management, the University could keep tuition increases to a minimum.

Wilburn also said that with decreases in inflation this year, the state's appropriation increase was reasonable.

"I think you have to recognize that the state appropriation is considerably higher than the rate of inflation. It is also considerably higher than the rate of increase in wages for state employees," he said.

Wilburn said salaries for state employees are going up only 2 percent this year and 3 percent next year.

"The inflationary pressures are not that great at this time," he said. "I think that it would be a very difficult case to make for a substantial tuition increase."

Rising tuition costs and other financing problems are the focus of the Commission on the Financing of Higher Education, established

by Thornburgh late last year. The commission was mandated to develop a more rational approach to the state's appropriations methods, Thornburgh said.

One approach the commission will discuss is a formulated appropriation, whereby different state institutions would receive different appropriations depending on their size and research needs.

Wilburn said that before 1979, appropriations were based on the institutions' relationships with the state, with state-owned institutions receiving the highest appropriations. The push for equal appropriations for all state-funded institutions came from former University President John W. Oswald, he said.

However, Wilburn said the institutions have reached a point where they are accomplishing different things at different times.

"We really should be looking at what these institutions do. Whether it be a formula based on general principles or a fixed number formula, I think that is what the commission should be looking towards," he said.

Although the University's tuition is the second highest among land grant institutions in the nation, Wilburn said the University gets more state student financial aid than other state schools.

The state also provides funding for most building construction on campus, he said.

"With the financial assistance that is available, it's difficult, but any student that wants to go to school can go to school," Wilburn said.

A 7 percent appropriation increase to The Pennsylvania Higher Education Assistance Agency and its new tax-exempt bond program will increase financial aid for students in the state, Thornburgh said.

The \$300 million program permits families who are ineligible for other forms of aid to purchase bonds to pay for educational costs. The program also provides loans to colleges.

Crime falls — boomers grow up

By MICHAEL J. SNIFFEN
Associated Press Writer

WASHINGTON — The Reagan administration took partial credit yesterday for the largest drop in reported crime in a generation, but academic observers attributed most of the decline to the aging of the post-World War II baby boom generation.

Releasing preliminary figures for 1983, the FBI said the number of serious crimes reported to police in the United States dropped 7 percent, the second significant decline in two years and the largest drop since 1960.

Attorney General William French Smith hailed the Reagan administration's campaign against drug traffickers.

But academic experts, some of whom predicted the decline eight years before it happened, said demographic changes explain far more of the drop than other contributing factors, like declining unemployment, career criminal programs or citizen crime watch programs. They said the other factors are not felt so uniformly across the nation.

Most largely discounted a federal role, primarily because the majority of crimes are state and local not federal offenses.

The 7 percent decline in the FBI Crime Index compares to a 3 percent decline in 1982.

The report said violent crimes of murder, rape, robbery and aggravated assault declined 5 percent from 1982. The far more numerous property crimes of burglary, larceny-theft and motor vehicle theft dropped 7 percent.

Professor Alfred Blumstein of Carnegie-Mellon University in Pittsburgh predicted in the 1970s that baby boom aging would cut crime in the 1980s.

Growth rate:

Economy surges during first quarter, but experts say climb won't continue

By MARTIN CRUTSINGER
Associated Press Writer

WASHINGTON — The economy, continuing to astound the experts, grew at a surprisingly robust 8.3 percent annual rate in the first three months of 1984, the government reported yesterday.

But most analysts called the surge temporary and predicted growth will slow for the rest of the year.

The Commerce Department last month caught economists by surprise with a "flash" estimate that put growth for January to March at a rate of 7.2 percent.

When business activity headed sharply lower in March, many said the preliminary estimate would be revised downward substantially, to perhaps as low as 6 percent.

Instead, the department boosted the estimate of growth in the inflation-adjusted gross national product to 8.3 percent, which would make January-March the second best quarter since the recovery from the recession began in November 1982.

Last month's initial estimate raised widespread concern that the economy was

growing too fast, threatening to overheat and trigger sharply higher inflation.

That concern was not evident yesterday even with the higher figure because of a belief that consumer spending, which has powered the recovery so far, is beginning to slow considerably.

The Reagan administration, concerned that fears of renewed inflation could push interest rates higher, stressed its belief that economic expansion was slowing to a moderate, more sustainable rate with inflation under control.

White House spokesman Larry Speakes said from Air Force One that "we expect a moderation of the GNP growth in the second quarter. . . It's obvious the economy will remain strong with low levels of inflation."

Undersecretary of Commerce Sidney L. Jones said the first quarter was only a "temporary acceleration" and predicted GNP growth of 4 percent in the second quarter. He said the administration saw no reason to change its estimate of 5 percent growth for the whole year. In 1983, the real, or inflation-adjusted, GNP grew 3.4 percent.

Martin Feldstein, the president's chief economist, said real GNP had risen at a rate of 6.6 percent in the past five quarters,

marking the best pace for any rebound since 1954.

"There isn't any overheating," Feldstein said. He noted that inflation, as measured by the GNP's implicit price deflator, ran at 4.1 percent in the first quarter, only slightly ahead of the 3.9 percent pace in the fourth quarter of 1983.

Feldstein predicted GNP growth in the second quarter would be at the "lower end of the 3 to 5 percent range."

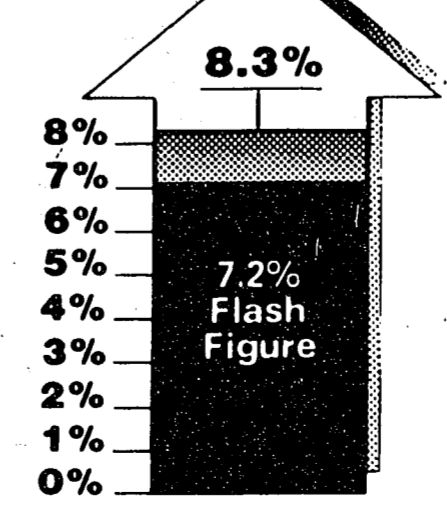
Some private economists were more pessimistic.

Donald Ratajczak, an economist at Georgia State University, and Allen Sinai, chief economist for Lehman Brothers Kuhn Loeb, both predicted an April-June growth rate of 3 percent or less.

Ratajczak said 4.7 percentage points of the 8.3 percent first quarter rate came from growth in inventories, which he said would not continue.

Almost half the inventory increase came from an \$8.7 billion rise in farm inventories, due primarily to the receipt of crops by farmers under the federal government's payment-in-kind subsidy program, which ended in February.

First Quarter Adjusted
Real GNP Increased \$31.8 Billion Dollars After Revision



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Morning clouds and fog will gradually give way to partly sunny skies later this afternoon. High of 53. Partly cloudy and cold tonight with a low of 36. Partly cloudy and breezy tomorrow with a high near 56.	
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