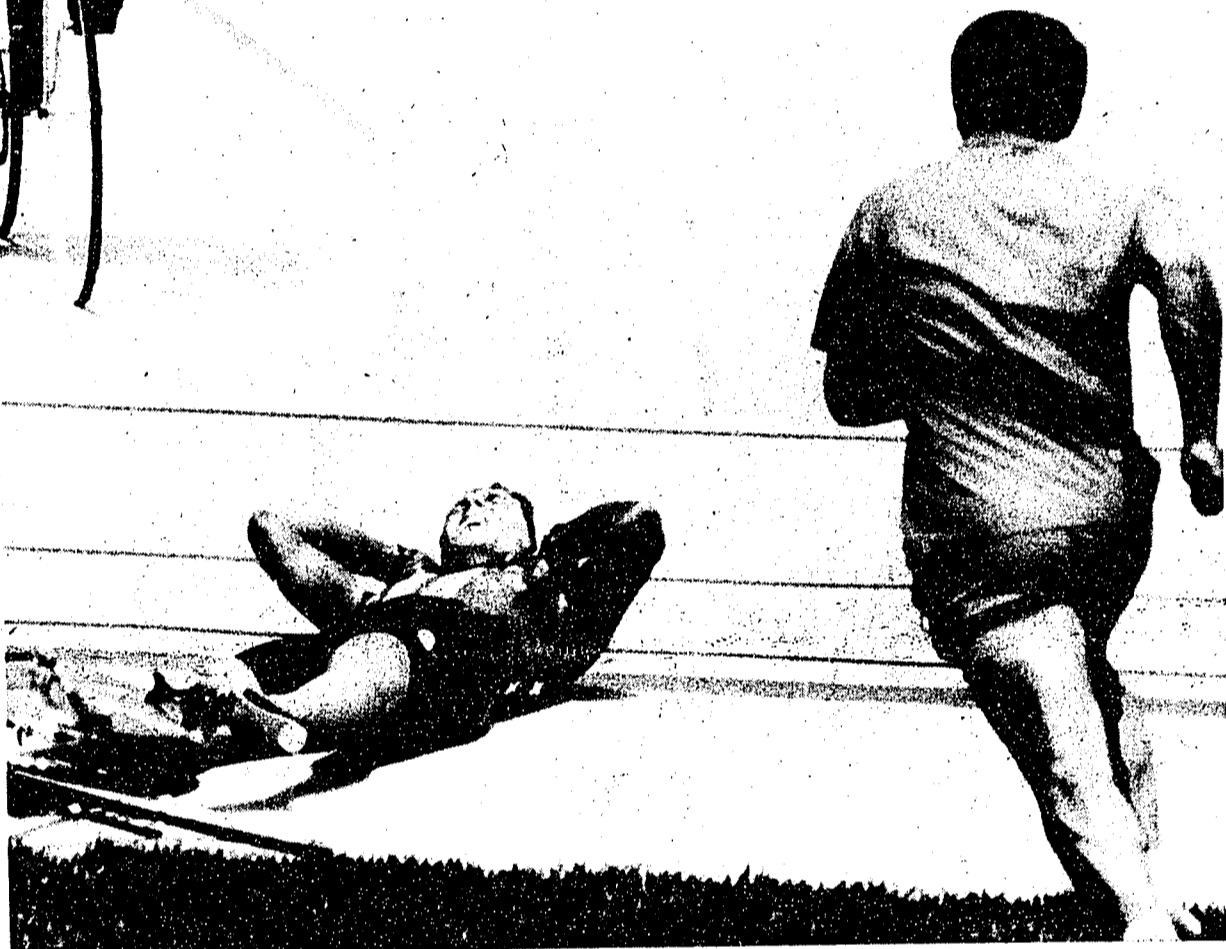


AP Laserphotos

Winners; losers

America's Nelson Valls, above, blows a kiss to the crowd after winning round two of the Olympic sprint cycling semi-finals yesterday. A not-so-fortunate Steve Hegg, right, grimaces in pain on the Olympic velodrome track as a bystander runs to his aid after Hegg's fall during yesterday's 4,000-meter team pursuit quarter-final event.



Leftists kill guard and take hostages at bank

By ANNIE CABRERA
Associated Press Writer

SOYAPANGO, El Salvador — A top military official said a band of heavily armed guerrillas who seized a bank and took at least 100 people hostage yesterday would be given asylum at the Spanish Embassy if they release their captives.

Col. Rinaldo Golcher, director of the Treasury Police, said Spanish and Salvadoran officials were working out details of an arrangement to provide the gunmen with safe passage from the embassy out of the country.

He said the guerrillas had agreed to release women hostages first and then the men. He said he did not know exactly how many hostages were in the bank.

The guerrillas also agreed to leave behind "a large sum" of money they had stolen from the main vault during an aborted holdup in which they killed a bank guard, he said.

The guerrillas had already freed three children and a pregnant woman before Golcher spoke about the asylum negotiations to reporters outside the bank in Soyapango, a suburb on the east side of the Salvadoran capital.

The children were released first. The guerrillas freed Gloria Mirna Diaz, 20, about 3½ hours later in exchange for permission to communicate with foreign embassies about possible asylum.

Diaz told reporters there were six guerrillas and about 100 hostages inside, including 45 bank employees. Other reports from inside put the number of hostages as high as 125.

She said the rebels claimed they were members of the Armed Forces of National Resistance, one of five rebel groups operating here, and they were armed with automatic rifles, pistols and hand grenades.

She said all the captives were in good health and the guerrillas "have been treating the hostages correctly."

Golcher arrived with two

American men shortly before Diaz was released. He said the rebels had asked for asylum in the French, Spanish or Mexican embassies, and safe conduct out of El Salvador.

One of the Americans identified himself as Capt. Emilio Gonzalez of the U.S. Defense Attache's office. He said he was not involved and had come along to observe. The other American did not identify himself.

Col. Jesus Caceres, in charge of the rescue operation, said the rebels made several demands.

"I cannot tell you," what those demands are, he said. "But we are seeking the manner by which this thing can end without bloodshed." Caceres described the rebels as "very nervous" and "without much experience" in such an operation.

Caceres seemed to indicate he was preparing an assault on the bank. "If it is necessary, we'll do it," he said. "The people cannot continue to live in a state of anxiety for too much longer."

Work crews arrived about 4:45 p.m. to cut off the power, water and apparently all but a few telephone lines to the bank. A helicopter dumped two loads of what appeared to be bricks on the roof of the bank, but it was not clear why.

A gray Mercedes-Benz was found about 80 yards east of the bank, and security officials said they believed the rebels had driven to the bank in it. Bomb experts defused a dynamite bomb found inside the car.

Witnesses, who asked not to be identified for fear of reprisals, said the rebels seized the Banco Agrícola at about 11:30 a.m. About 100 soldiers and civil defense guards with submachine guns and automatic rifles surrounded the building in Soyapango, a working-class suburb of San Salvador.

About 2½ hours later, a Red Cross team evacuated two girls, ages 5 and 6, and a 9-year-old boy from the bank. They also carried out the body of the dead guard, Jose Mauro Gonzalez, 53.

Lance quits campaign

By DAVID ESPO
Associated Press Writer

NORTH OAKS, Minn. — Bert Lance, a former close aide to Jimmy Carter, resigned

yesterday after 19 days as general chairman of Walter F. Mondale's Democratic presidential campaign, citing the controversy raised by "old charges" leveled against him.

Mondale accepted the resignation with regret and said in a statement "I understand his desire to protect his family from additional pain."

Lance's resignation came after a tenure of less than three weeks that was marked by a protest from party officials. They said his presence in the campaign might resurrect the issue of Lance's association with Carter and his resignation as budget director amid charges of irregularities in his personal banking business.

Lance was never convicted of any wrongdoing, but in his resignation letter he said that in the past three weeks unnamed people have "once again (raised) old charges which have been fully resolved through our system established by the Constitution."

"I want to be a part of a successful effort in your election . . . not the focus to divert attention away from the substantive issues."

Lance said he was willing to be involved in the campaign "in whatever way you desire," and in his statement, Mondale said, "I look forward to Bert's advice, friendship and support."

"I regret Bert's decision but I respect it," Mondale's statement said. "In recent days he has been subjected to some very tough and adverse publicity."

Maxine Isaacs, Mondale's press secretary, said the two men had a brief "very warm" telephone conversation. This ended an awkward episode in Mondale's presidential campaign that began in the days immediately before the Democratic National Convention last month.

Lance resigned in a letter to

Mondale in which he said, "I am requesting — solely directed by my own initiative — that you allow me to relinquish the title of general chairman of the Mondale-Ferraro campaign."

Lance met earlier yesterday in New York with Robert Beckel, who is Mondale's campaign manager.

At a news conference last night in Minnesota, Beckel repeatedly emphasized that he had underestimated the reaction which followed Lance's appointment. However, he insisted that it was the right decision and that Mondale would continue to value Lance's advice during the campaign.

"I think that the reaction and the timing was a mistake on our part," Beckel said. "I think the judgment that Bert Lance should join this campaign was the right one."

And he sought to play down the significance of the flap over Lance's appointment in relation to a number of appointments President Reagan has made in his administration.

"Within a few weeks, we'll begin to be into a number of issues that will overtake this one as a political issue," Beckel said.

Lance and three others were indicted in 1979 on charges of bank fraud and conspiracy arising from allegations of false statements, false entries and misapplication of loans related to hundreds of overdrafts and loans totaling \$20 million to the four men, their friends and members of their families.

Lance was acquitted on nine of 12 charges in 1980, with the jury deadlocked on the remaining three counts. Those counts later were dropped by federal prosecutors.

Georgia Lt. Gov. Zell Miller, a longtime friend of Lance's, called the resignation "a sad situation" and said, "It sure ain't gonna help" Mondale in Georgia.

"I'm more concerned about how Bert feels personally than I am about any of the political stuff," said Miller.

Report shows 15.2 percent of Americans live in poverty

By RANDOLPH E. SCHMID
Associated Press Writer

WASHINGTON — The number of Americans officially in poverty climbed by nearly 900,000 to break the 35 million mark last year, the Census Bureau said yesterday in releasing a report sure to become an election-year political football.

The figures showed that 15.2 percent of the nation's population fell below the annual income of \$10,178 for a family of four set as the upper edge of poverty in 1983. The poverty rate was up slightly from the 15.0 percent of 1982.

Political reaction came quickly, with House Speaker Thomas P. O'Neill, D-Mass., saying "today we have the smoking gun of Reagan unfairness," and the Republican White House claiming credit for leveling off a rate of increase that soared under its Democratic predecessors.

Administration officials sought to soften the impact of the figures with an accompanying study that said there are really a lot fewer poor people than it seems — if you use a different yardstick to measure them.

But O'Neill asserted that "Under (President) Reagan, the poor are getting poorer."

In Santa Barbara, Calif., deputy White House press secretary Marlin Fitzwater said the report "points out the need for a constant effort to reduce poverty in the country. We are firmly committed to that goal."

He said the report showed "poverty has leveled off from the disastrous increases of 1979 and '80," which he blamed on the economic policies of former President Jimmy Carter, a Democrat.

While the administration's political opponents stressed the poverty rate, social action groups promptly attacked the alternate income measurements as an attempt to redefine poverty out of existence.

The poverty rate for 1983 was 15.2 percent, meaning that 35,266,000 Americans — an increase of 868,000 — fell below the official definition of being poor, said Gordon Green, the Census Bureau's assistant population division chief for socioeconomic statistics.

That is up from a rate of 15.0 percent in 1982, when 34,398,000 Americans fell below the poverty level, he said.

Fitzwater maintained that when the "high interest rate-high inflation policies of the last administration sent economic growth into a four-year stall, poverty went from 11.7 percent in 1979 to 13 percent in 1980 and 14 percent in '81. Those policies also led to the recession, which raised the poverty level to 15 percent in 1982."

The presidential spokesman said the 1983 increase does not yet reflect the drop in unemployment, now at 7 percent. "More than 5 million new jobs have been created since this report was written and the prospects

'Hiding the poor with crooked statistics won't eliminate poverty.'

—Kate Waracks of Seniors' Action on the Office of Management and Budget

for a drop in the poverty rate appear very good," he said.

"In 1982, when Reagan policies sent the poverty rate to 15 percent, the administration said that the trend would be 'dramatically' reversed in 1983," O'Neill told reporters. "Today, we learned just the opposite has happened . . . Making the rich richer and the poor poorer has not helped the average American family."

Rep. Robert Matsui, D-Calif., reacted similarly, saying: "Almost one year ago (budget director) David Stockman told my subcommittee that he was 'absolutely confident' that the poverty rate would decline for 1983. Mr. Stockman was once again wrong and he and his administration are going to be held accountable."

Matsui said the actual amount of poverty is even higher than the level reported because the figures "ignore the increasing tax burden of the poor."

A Census report issued a month ago indicated that taxes paid by Americans earning less than \$10,000 have increased, while those in higher income groups fell last year.

Green stressed that if such benefits as food stamps, public housing, school lunches and Medicare counted as income, the poverty rate would drop to between 10.2 percent and 13.9 percent of Americans.

Bureau studies about counting such benefits as income have drawn considerable criticism and an attempt to convene a panel of independent experts last spring to advise the bureau on this approach had to be canceled in the face of the public outcry.

Pickets outside the Commerce Department, where yesterday's announcement was made, contended that the government was trying to redefine poverty out of existence.

"Hiding the poor with crooked statistics won't eliminate poverty," charged Kate Waracks of a group called Seniors' Action on OMB.

It is OMB, the Office of Management and Budget headed by Stockman, that sets the official definition of poverty, not the Census Bureau.

Green noted that Census officials studied and reported on various measurements of poverty only because they were instructed to do so by Congress. Matsui and Rep. Charles Rangel, D-N.Y., have pressed for a special commission to try to redefine poverty.

August 10 new deadline for filing bills

By KRISTINE SORCHILLA
Collegian Staff Writer

The deadline for filing estimated bills has been extended to Aug. 10, the University bursar said yesterday.

Donald J. Tressler said the original deadline of Aug. 3 was extended because the estimated bills were mailed to students later than was originally planned.

The extension was not a result of confusion about the new registration process, Tressler said.

"Other than students needing to have their bills filed to consummate registration, the two are not related," Tressler said.

J. James Wager, director of registration and scheduling, said the extension of the deadline for filing the estimated bills will not affect the registration deadline itself. The deadline for registering will remain Aug. 16, he said.

friday

inside

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weather

Variable cloudiness today and tomorrow with occasional showers and thunderstorms. High both days near 82. Patchy dense fog developing tonight with a low of 68. by Glenn Rolph