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Iran begins effort to end Iraqi regime

By The Associated Press

Iranian forces invaded Iraq and captured hundreds of Iraqi soldiers in a fierce drive to topple the regime of President Saddam Hussein, Tehran radio claimed today.

Iraq said in a terse dispatch its troops repulsed the Iranian advance and counterattacked, inflicting heavy casualties. The dispatch implied the Iraqis had crossed the border for the first time since Hussein's army launched the Persian Gulf border war by invading western Iran almost two years ago.

The official Iranian broadcasts, monitored in London, did not elaborate on the invasion reports, which could not be independently verified because both sides bar correspondents from the war front.

"Our Islamic army is coming to liberate you," Tehran radio said in an address to the Iraqi people, urging them to "mutiny."

"Our forces will not lay down their arms until this infidel regime and all symbols of treason in Baghdad have been toppled."

In an Arabic-language broadcast, Tehran radio claimed that hundreds of Iraqi soldiers had been captured in the offensive it said began Tuesday night.

A later broadcast quoted Iranian leader Ayatollah Ruhollah Khomeini as telling the Iraqis to welcome the Iranian invaders and "cut off the hands" of Hussein's followers.



Iraqi military communiques reaching London and Nicosia said the push was directed at Basra, Iraq's main port about 15 miles west of the Iranian border in extreme southeast Iraq.

They said Iraq's army "halted the enemy's advance on Basra sector...and then launched its counterattack while the Iranian forces were retreating leaving behind large numbers of dead and wounded."

The official Iraqi news agency claimed Iraqi warplanes bombed the western Iranian cities of Iam, Bakhtaran and Khorramabad today to retaliate for what it called Iran's cross-border shelling that "caused some damages and losses."

Tuesday night, Tehran radio broadcast excerpts from an Iranian military communique saying Iranian troops were "advancing after crushing the first resis-

"crossed successfully the first bunkers of the enemy."

Canadian Press, in a dispatch from Tehran, said the communique reported heavy fighting in Iran's oil-rich southwestern province of Khuzistan, but did not give the precise location.

The news agency quoted the communique as saying Iranian troops would use the "liberation of Iraq" as a step toward their goal of freeing Jerusalem "from the claws of the aggressive, criminal (Israeli) Zionism."

Khomeini's Islamic regime opposes Israel's occupation of Jerusalem and does not recognize the Israeli government or its proclamation of the city, holy to both Moslems and Jews, as its capital.

Excerpts of the Iranian military communique monitored in London said the offensive, code-named Ramadan after the Moslem fasting month, was to "prevent further Iraqi and other U.S. lackeys' aggression, and to keep at a distance the Iraqi fire from cities of the Islamic homeland (Iran)."

The offensive was launched at 9:30 p.m. Tehran time (2 p.m. EDT) Tuesday, the communique said.

In an earlier announcement, the Tehran government had said Iraqi troops still were in Iran despite Hussein's announcement at the end of June that all his forces had withdrawn.

Khomeini's government has been threatening to invade Iraq for several weeks, according to press reports from the Persian Gulf. The Iraqis have scoffed at Hussein's declaration last month of a unilateral cease-fire and have complained that Iraqi artillery continued to shell across the border.

Iraq invaded its neighbor in September 1980 to gain full control of the Shatt-al-Arab waterway, part of the southern Iran-Iraq border and Iraq's only shipping outlet to the Persian Gulf. After losing large pieces of territory to Iraq, Iran launched a tide-turning offensive this spring.

None of the communiques indicated how many troops were involved in the renewed battles. Hussein said in an interview Tuesday with The Times of London that Iran was concentrating "massive forces" on its borders and appeared ready to invade Iraq.

U.S. intelligence sources in Washington have estimated as many as 200,000 Iranian troops were moved up to the frontier.

Some opposition to stockade voiced

By ED TODD
Staff Writer

Sheriff Dallas Smith's proposed stockade in southeast Midland may intrigue some bivoac-minded prisoners who are eager to escape the confines of a jail's barred cells, but the compound is not popular among businessmen in the stockade area.

"I can appreciate what they are trying to do," said Tommy White, who operates a tool-supply business off the Garden City Highway, "but I'm fairly resentful. Those commissioners have a job to do. I feel like they could have used a little better judgment."

White, who opposed the 7½-acre stockade site near the Midland County road-and-bridge department barn at Taylor Avenue and Henderson Street in a window-pane area in Midland, noted that the county's Commissioners' Court "keep talking about the economics" of the location, but "how about our eco-

"They (sheriff and commissioners) are going to do what they are going to do."
— Ken Overstreet



nomics?" he said of businesses near the site.

The sheriff, with the aid of prisoner labor, is to begin clearing the site of mesquite brush, debris and weeds before leveling the land and building the double military-like barbed wire fence around the perimeter, constructing sentry towers, laying water



"It will inhibit the growth and development out here."
— James Norton

and sewer lines, and, with the aid of craftsmen, building barracks for the prisoners.

Stockade prisoners, who Smith says will be violent offenders who are not escape prone, will live in tents in bivouac fashion while the stockade is being constructed.

Ground is to be broken before the end of the month.

White, like businessman Ken Peeler, who led an effort to persuade the commissioners to relocate to another and, possibly, more remote area, theorized that the stockade's presence there will not adversely affect his business but may inhibit commercial development of the area, which already has some drawbacks. "It's not an ideal spot, certainly," Peeler had noted.

"Over here, we've got the (sanitary) landfill, and the sewage treatment plant and now the stockade. What next?"

But White seemed resigned to accepting the stockade during its three- to four-year lifetime. The compound is to be abandoned after a new or expanded jail is built.

"If someone is going to have that unfortunate deal," said White, "I had just as soon it be me instead of my having to point the finger" and designate another stockade site, which, he sur-

mised, would be offensive to others.

"I think the concept is good. I think Dallas has come up with a good idea," White said. "I feel like they (commissioners) kind of bulldozed the thing."

"It's not easy," he said, empathizing with the commissioners' job. "They'll make this guy happy, and this guy unhappy."

"What I've got to say about it, I don't think you can print," said Robert Frazier, White's general manager. "Why doesn't Dallas Smith put it (the stockade) by his house?"

Mechanic Billy Watkins, who recently moved to Midland from Missouri, took the academic approach on the stockade issue.

"I don't know," he said. "I've never lived around an area where they've had one, and I don't know how it would affect them (the neighborhood)."

"I'm from Missouri," said Watkins,

"...I don't know how it would affect them (the neighborhood)."
— Billy Watkins



35. "They had the same situation in Kansas City, where they were going to put in a state penitentiary there." But, he noted, the prison, apparently due to public outcry and opposition, was not built in the Kansas City area.

He found the stockade concept conditionally acceptable.

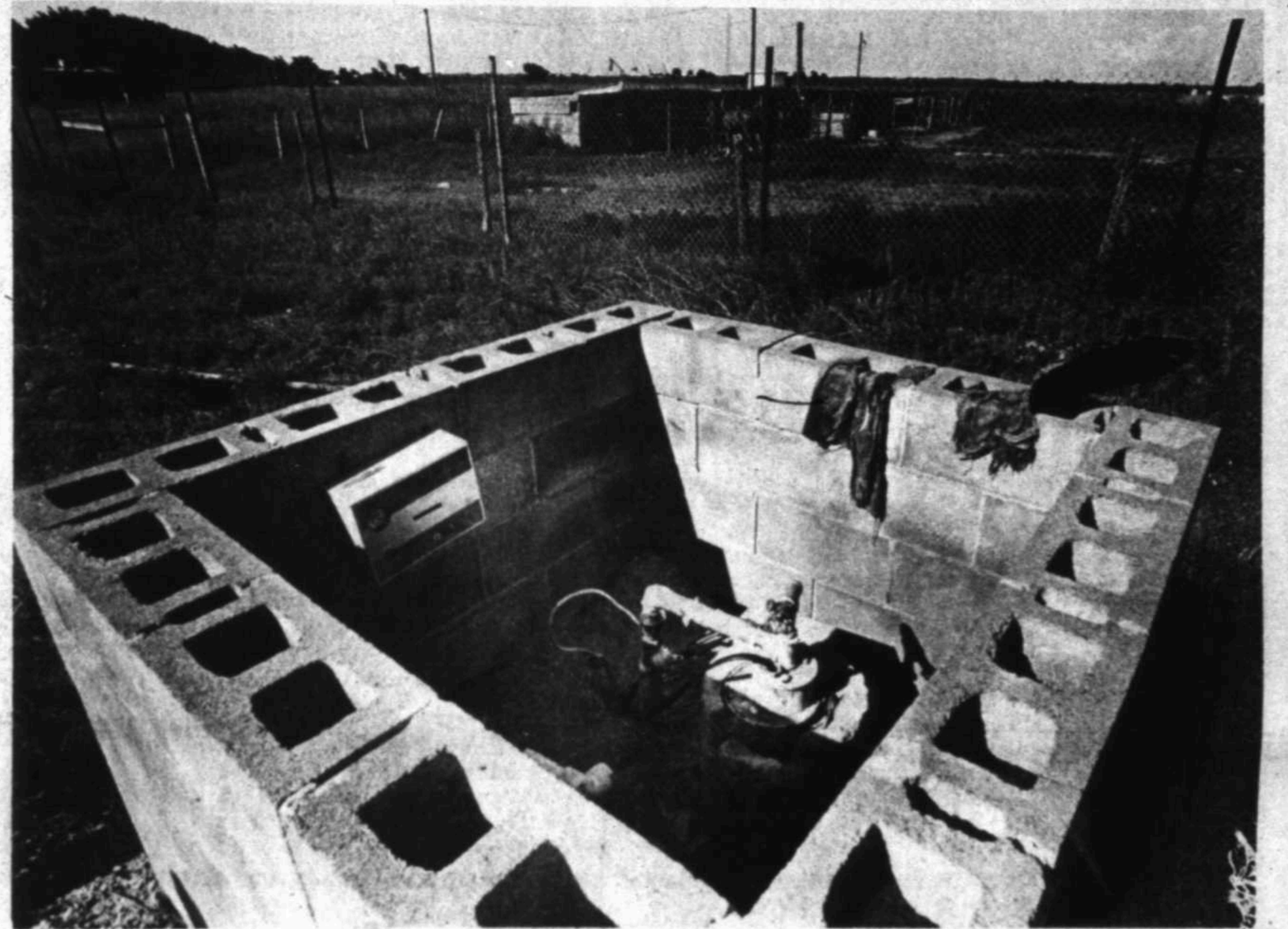
"As long as they don't have a break-



Watery woes

Situated about a quarter-mile south of Midland Mobile Ranch trailer park, the pump pictured at right is one of three that supply drinking water to park residents. State health department officials recently warned residents to boil water before drinking after finding code violations and high bacteria counts in the water supply in recent years: Marge Buquet, above, a park resident for more than two years, examines a glass of tap water. Ms. Buquet claims some park residents suffered stomach cramps in the past after drinking the water.

Staff Photos by Paul Gilbert



Trailer park faces boiling issue

By VINCE GIORGI
Staff Writer

Residents of Midland Mobile Ranch trailer park have been advised to boil their tap water before drinking after several years of inspections and tests by Texas Department of Health officials revealed code violations and abnormal amounts of bacteria in samples from the park's water system.

The state attorney general's office will bring suit in District Court 238 July 23 against the park's former owner, Hulien Lemon, seeking civil penalties for the past violations.

Lemon completed sale of the park to Raman Patel on May 12, 1982, according to an employee of Lemon in Midland. Both Lemon and Patel could not be reached for comment.

According to health department officials, a faulty water system and the resultant potential for water contamination have been continuing problems at the park, located on Rankin Highway south of Midland, since about 1977.

Linda Wyatt, regional director of environmental and consumer health protection services, said that water samples taken from the park contain high levels of coliform bacteria.

Ms. Wyatt said the bacteria themselves are not harmful but serve instead as "indicator bacteria." High levels indicate a problem with the water supply that could enable harmful bacteria to enter drinking water supplies.

Health officials made several inspections of the water delivery system, citing violations and requesting compliance in each case. But health department reports and correspondence indicate the park's owner consistently failed to correct water system problems.

On March 5, 1981, for instance, health

department inspector Jed W. Barker surveyed the system. In a letter to Lemon dated March 24, Barker notified Lemon of several violations, including the following:

—Midland Mobile Park's system required a state certified water works operator and had none.

—Park management had often failed to submit two water samples monthly to the health department. Management had also failed to notify park residents of its failure to submit samples, both items required under health department problems.

(See TRAILER PARK'S, Page 4A)

INSIDE TODAY

Taking it for granted



If I want to take a year off and do a special project, now I can," says Ralph Shapey, University of Chicago music professor and MacArthur grant recipient.

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Partly cloudy tonight. Low near 70. High Thursday mid-90s. Details on Page 4A.

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Shultz discusses possibility of direct dealings with PLO

WASHINGTON (AP) — The man in line to be secretary of state says the United States would consider dealing with the Palestine Liberation Organization only if that group "becomes something other than the PLO we have known."

George P. Shultz outlined his views at a Senate confirmation hearing Tuesday as sources in the Middle East indicated PLO leader Yasser Arafat was seeking recognition by the United States as his price for leaving Lebanon.

Sen. Charles H. Percy, R-Ill., chairman of the Foreign Relations Committee, said he would seek a committee

vote today in the hope of getting Senate confirmation for Shultz on Thursday.

Shultz was nominated by President Reagan after Alexander M. Haig Jr. resigned for policy reasons that have not been fully explained. Shultz, in his first round of testimony, said he didn't know why Haig quit and didn't want to discuss it.

Shultz told the committee he shares the U.S. commitment to the security of Israel, but also believes that stronger ties with the Arabs are needed.

(See SOME, Page 4A)

House panel begins cocaine, sex probe

By JAY PERKINS

WASHINGTON (AP) — Armed with new legal powers, the House ethics committee is beginning its formal probe of allegations that some lawmakers have used cocaine and others may have engaged in homosexual sex with teen-age pages.

The committee's first meeting on the potential scandal comes amid reports that the Justice Department will name a special task force to investigate the cocaine allegations.

The committee scheduled a closed-door meeting today to discuss what its investigators already have discovered. Last week, the panel's staff met with Leroy Williams, 18, a former page supervisor from Little Rock, Ark., and the only witness known so far to have claimed to have engaged in sex with congressmen.

Sources said committee investigators are focusing at this time on one congressman. Williams claimed to have had sex with three members of Congress, but the youth acknowledged that he flunked a lie detector test administered by the Justice Department.

The House, acting to give the committee broad authority, voted 407-1 Tuesday to authorize the panel to have sweeping subpoena powers similar to those given it during the Abscam investigation into alleged misconduct by congressmen.

ONLY REP. Henry B. Gonzalez, D-Texas, voted against the resolution.

The House probe is not the only investigation underway. A special unit of the Justice Department already is looking at the sex allegations, and a federal grand jury is looking at drug distribution on Capitol Hill.

And two congressmen said Tuesday a special Justice Department task force would look into whether congressmen have been using cocaine.

A Justice Department spokesman declined to confirm that report but a source within the department acknowledged the Drug Enforcement Agency would conduct such a probe.

Rep. Leo C. Zeferetti, D-N.Y., head of the House Select Committee on Narcotics Abuse and Control, and Rep. Tom Rainsback, R-Ill., ranking Republican on the panel, disclosed plans for the unusual investigation.

They said they welcomed the Justice probe, which would be limited to cocaine use, saying members of Congress should be treated uniquely and held to a higher standard than members

of the general public.

NORMALLY, FEDERAL authorities concentrate on cracking major drug-selling rings and do not investigate allegations of individual use of illicit drugs.

But Rainsback said, "Congress is unique by reason of its sensitive responsibilities. We should be investigated because we're the ones appropriating and authorizing funds" for law enforcement.

The two said the Justice Department probe negated the need for the narcotics committee to conduct its own investigation. They said the committee would work with the department and with the House ethics committee as those two groups conduct independent probes.

Rep. Robert K. Dornan, R-Calif., a member of the narcotics committee, has said federal investigators told him six House members, a senator and two former House members have been accused of using cocaine. Dornan has been a key figure in the cocaine investigation since he allowed his office to be used by an undercover agent.

Zeferetti told reporters the ethics committee could investigate the allegations of drug abuse even if the Justice probe found no reason to seek criminal indictments. Use of drugs, he contended, would be under that committee's purview because the actions would bring discredit upon the House.

"We don't want there to be a coverup or white-wash," said Rainsback.

Meanwhile, calls intensified within the House itself for full investigations by outside prosecutors of the sex and drug allegations.

"THE AMERICAN people deserve the highest possible assurance that any investigation is complete, that no stone has been left unturned and that there is not the slightest hint or opportunity for a conflict of interest or coverup," said Rep. Tom Harkin, D-Iowa, in introducing legislation calling for a special prosecutor to conduct the probe.

But Harkin's proposal was quickly denounced by House Speaker Thomas P. O'Neill Jr., D-Mass., who said "members who do not have enough credence in the institution (of Congress) should get... out."



Zeferetti

Federal grand juries investigate ex-CIA agent

By MICHAEL J. SNIFFEN

WASHINGTON (AP) — A former federal energy official's guilty plea to taking illegal gratuities from former spy Edwin P. Wilson reveals a small part of a larger, wide-ranging federal investigation into Wilson's activities after he left the CIA.

Sources, who asked not to be identified, said four federal grand juries are looking into how Wilson built a lucrative consulting business after he left the CIA in 1970 and into his alleged support for Libyan terrorism.

They said a Washington grand jury is still considering the case in which Wilson, 54, was charged in 1980 with supplying plastic explosives to Libya, setting up a training school for Libyan terrorists staffed by ex-Green Berets and conspiring to assassinate a Libyan dissident in Egypt for \$1 million.

Wilson has denied the charges. He has been in custody here since a government scheme lured him from his Libyan haven in June.

Wilson was named in U.S. District Court here Tuesday as the source of the illegal payments to Paul Cyr, the former energy official who pleaded guilty to two felony charges.

A Denver grand jury is trying to see if Wilson is tied to the shooting of a Libyan student in Colorado in 1980; another grand jury outside Washington is looking into additional shipments to Libya, and a grand jury in northern Virginia is looking at links between Wilson and government officials, including CIA officers during the 1970s, the sources said.

The Cyr case provides a glimpse of how Wilson operated. Decorated by China, Britain, France and the United States for commando exploits after he parachuted behind enemy lines in France and China during World War II, Cyr became Indiana Republican chairman in the early 1960s — at 31, the youngest state party chairman in the nation.

After 10 years on Capitol Hill, Cyr served as chief congressional lobbyist for the Federal Energy Administration, later the Energy Department, from 1974 to 1979.

He pleaded guilty to agreeing to and accepting illegal gratuities from Wilson for helping arrange a subcontract for a computer firm in 1977. At the time, Cyr was drinking heavily.

Sources said Cyr became a friend of Wilson's in the early 1970s without ever knowing Wilson had been in the CIA. Cyr lent Wilson money and hunted with him in Virginia. Wilson had helped raise one of Cyr's sons who had left home.

Cyr, 61, agreed to cooperate with the government as part of a deal under which the government said it would not pursue allegations that Cyr gave one M-16 rifle to Wilson in 1979. The government said Wilson wanted the weapon to show as a sample of what Wilson was then allegedly offering to supply Libya.

The government also said it would not pursue allegations that Cyr received other money from Wilson in a case involving a different computer firm, Control Data.

Wilson himself has not been charged in Cyr's case. Assistant U.S. Attorney Carol Bruce told U.S. District Judge John Pratt that the government was prepared to prove that Cyr and Wilson devised a scheme in the spring of 1977 to obtain kickbacks from Data Financial Systems Inc., a computer company seeking government contracts.

Ms. Bruce said Cyr introduced Data Financial representatives to federal energy officials and the firm subsequently received a \$26,000 subcontract from Computer Sciences Corp., which was working for the energy agency.

Ms. Bruce said Wilson later advised Data Financial officials in Cyr's presence that Cyr and others involved in helping get the subcontract should be paid a kickback of between \$3,000 and \$6,000.

She told the court that Cyr repeatedly asked for the money and on Dec. 22, 1977, picked up the funds at Wilson's office.

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Traveling hospital brings eye care abroad

By RANDY BANNER
The Los Angeles Times-
Washington Post
News Service

LONG ISLAND, N.Y. — Most hospitals wait for patients to come to them, but Kennedy International Airport hosted a different kind of hospital Tuesday. Orbus, a flying facility that goes to its patients.

Initiated last March, the program is housed in a DC-8 aircraft which has been converted into a flying eye hospital. Its 15 member crew — consisting of doctors, nurses, audio-visual engineers, computer programmers and airplane pilots — travels throughout the world on an almost continual basis performing eye surgery and exchanging medical information with doctors and scientists internationally.

The idea for Orbus was first suggested five years ago by Dr. David Paton, a noted ophthalmologist and professor of ophthalmology at the Baylor College of Medicine in Houston. Paton's objective, he said, was to create "an experiment in medicine that would allow for the updating of manual skills on an international basis."

"As I was studying and practicing medicine throughout the world," said Paton in a telephone interview from his Texas office, "I always found that I learned more than I taught. When you go to a country and help them medically, unless you leave something behind, a legacy of that knowledge, the problems remain. Also, despite the outstanding research that goes on in this country, much of what we know emanates from research that has taken place elsewhere.

"So it is important for us when we give medical assistance to other nations, to not only help people on an individual basis, but to take what scientists in those nations have learned and incorporate it into medicine here."

The aircraft itself is a fully equipped hospital which includes an examination area, operating room, recovery room, storage room and 18-seat classroom. According to Lynn Stark, one of Orbus's nurses, most operations are performed under local anesthesia, primarily because of the nature both of the facility and of the surgery. Patients who the Orbus crew treat, she said, come and go under their own power.

"We don't want to make people feel sick when they come here," said Lynn Stark, one of Orbus's nurses. "We treat all of our patients like healthy people who have to have their eye fixed, the same way they would have their teeth fixed when they go to the dentist."

"The plane is just like a regular hospital. The only problem we've had so far is that people sometimes find it difficult to walk

down the stairs after they've had operations."

Funding for the non-profit project, Hambleton said, has come primarily from private sources. The federal government has committed approximately \$1.3 million toward the program's yearly budget of \$8 million through the Agency for International Development. Hambleton added that in addition to monetary contributions, several corporations have

offered gifts to the project. The aircraft itself was donated by United Airlines, and Pan Am has offered airport facilities worldwide to the project.

Dr. Stuart Bell, one of Orbus's ophthalmologists, called the project "an absolutely unique opportunity," but said that in order for it to work much attention would have to be paid to correct staffing.

"Everything has

worked so beautifully that it's spellbinding," he said. "But I think a potential problem that we'll have to watch out for is burnout. We will have to stagger the staffs carefully so that no one crew becomes less effective because of cabin fever."

Hambleton said that eventually he hopes to see a fleet of Orbus's traveling the globe.

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DEATHS



Julian Clausen

Julian Clausen, 61, of Midland, died Sunday in his home.

Services will be at 2 p.m. today at the Newnie W. Ellis Funeral Home chapel. Burial will be at 2 p.m. Friday at Santa Fe National Cemetery in Santa Fe, N.M.

Clausen was born Oct. 26, 1920, in Decatur, Ill. He was district exploitation geologist for Border Exploration.

A full lieutenant in the U.S. Navy, Clausen served as an LTA pilot, flying submarine patrol off the Atlantic and Gulf coasts during World War II. Discharged in 1946, he completed his degree work to graduate from Millikin University in Decatur, Ill. He then earned the degree of geological engineer at Colorado School of Mines in 1951. He was an exploration geologist for Skelly Oil Company from 1951 until its merger with Getty Oil in 1976, based in Albuquerque and Farmington, N.M., Oklahoma City, Okla., and Midland, joining Border Exploration in 1980.

He was married to Betty Jane Priest in 1943 in Lakehurst, N.J. Survivors include his wife; a daughter, Julia Ann Wood; a son, Richard Allan Clausen; two brothers, John Andrews and Robert E. Clausen; and three grandchildren.

The family requests that memorials be directed to St. Luke's United Methodist Church, the American Heart Association or Planned Parenthood.

Thelma D. Morgan

DALLAS — Crypt-side services for Thelma Dawson Morgan, 83, of Dallas and formerly of Midland, were to be at 4 p.m. today with Dr. Joe Strother officiating. Entombment was to follow at Hillcrest Mausoleum. Funeral arrangements were handled by Sparkman Hillcrest Funeral Home.

Mrs. Morgan was born Sept. 26, 1898, in Waxahachie. She lived in Midland for 30 years before moving to Dallas. Her husband, H.H. Morgan, was employed by Mobil Oil Company in Midland. She was a member of the First Methodist Church of Midland and the Eastern Star.

Survivors include her husband and two sisters-in-law, Mrs. Murrell Bennett of Dallas and Mrs. W.O. Bennett of Midlothian.

Ray Pratt

Services for Ray Pratt, 63, of 107 S. Glenwood, will be at 4 p.m. today at the Newnie W. Ellis Funeral Home chapel with the Rev. Elvis Barrington, pastor of the Primitive Baptist Church, officiating. Burial will follow at Resthaven North under the direction of Ellis Funeral Home.

Pratt died Monday in a Midland hospital.

Pratt was born May 18, 1919, in Denver, Colo. He was a graduate of East Denver High School and attended Colorado University. Pratt then entered the U.S. Air Force and was a B-17 pilot, serving in the European Theater. Upon discharge in 1945 he began work with Continental Airlines and in 1946 was assigned to Midland. He married Lucille Morren in 1947 in Midland. He was later transferred and served in several cities in the Continental system including Los Angeles (where he was one of the original staff to set up and start service to that city), Denver, Dallas and Chicago. He also served in Micronesia on the Island of Moen in the Truck Lagoon and then in Saipan in the Mariana Islands. Pratt returned to Midland eight years ago and retired on May 19, 1982. He was a member of the VFW Post 7208 and the Mix Master Bowling League.

Survivors include his wife; two daughters, Linda Hawthorne and Debbie Lang, both of Midland; his mother, Opal Tousaw of Long Beach, Calif.; a sister, Mrs. J.E. McClane of Torrance, Calif.; and five grandchildren.

Marcelo Canales

CEJITA — Rosary for Marcelo Canales, 73, of Cejita, father of Romeo Canales of Midland, will be recited at 8 p.m. Thursday at the Mauro P. Garcia Funeral Home Chapel in San Diego, Texas. Mass will be said at 10:30 a.m. Friday at the Santa Rosa De Lima Catholic Church in Benavides. Burial will follow in Benavides Cemetery.

Canales died Monday at his home on La Cejita Ranch.

Canales was born May 21, 1909, in Realitos. He was raised on La Cejita Ranch and lived there until his death. Canales was a retired rancher.

Other survivors include his wife, three other sons, a daughter, a brother, six sisters and 11 grandchildren.

Chester J. Sikes

Chester J. Sikes, 80, of Big Spring, died early Sunday at a Big Spring hospital.

Services were Tuesday at the Newnie W. Ellis Funeral Home chapel in Midland with the Rev. W.O. Rucker Jr., pastor of Wesley United Methodist Church of Big Spring officiating. Burial followed at Resthaven Memorial Park in Midland.

Pallbearers were Luther Anderson and Jim Wilkerson, both of Alpine; Bill

Ramsey of Goldsmith; Harold Thompson, Albert Stewart and Al Hollings of Bucklind, Kan.

H. Sheldon Ward

Services for H. Sheldon Ward, 69, of 2613 N. L St., will be at 10 a.m. today at the Christian Life Center with Wayne Snyder of Lindale officiating. Burial will follow at Resthaven Memorial Park under the direction of Newnie W. Ellis Funeral Home.

Ward died Monday in a Midland hospital after a brief illness.

Ward was born Jan. 30, 1913, in Crestline, Kan., and spent his early life in Kansas. He began his business career with Shell Oil Company in 1937, the same year he married Vivian Gucker in Medicine Lodge, Kan. Ward transferred to Texas in 1944 where he worked in the oil fields of West Texas and Southeastern New Mexico. He

came to Midland in 1972 from Hobbs, N.M., where he was area superintendent with Texas Pacific Oil Company. After 17 years with Texas Pacific he retired in 1978.

Survivors include his wife; a son, Gary Ward of Austin; two daughters, Judith Swenson of Midland and Mrs. Jamie Boling of Littleton, Colo.; his mother, Chloe Ward of Midland; and four grandchildren.

Widow unsuccessful in clearing husband of enemy collaboration

WASHINGTON (AP) — The Army has upheld the conviction of the only U.S. Army officer imprisoned in this century for collaborating with an enemy.

The Army on Tuesday rejected a bid by the widow of the late Maj. Ronald E. Alley to clear his record of his post-Korean War court martial conviction. Harry N. Walters, assistant secretary of the Army, approved a unanimous decision by a five-man civilian board that held that Alley's dismissal from the Army "was manifestly appropriate and not unjust."

Alley's widow, Mrs. Erna Alley of Bar Harbor, Maine, filed a posthumous request that her late husband, who died of a heart attack in 1978, some 20 years after he was freed from prison, be given an honorable discharge, that his 1955 court martial record be expunged and that he be promoted.

Alley himself tried twice to win exoneration, but his pleas were denied by earlier Army boards.

He received 10 years at hard labor and was dismissed from the service. The sentence was later reduced to five years, and Alley actually was confined for just over three years before being freed.

Alley was convicted on charges of "communicating with the enemy and aiding the enemy as a prisoner of war in Korea," where he was captured by Chinese troops in December 1950. He spent 33 months in POW camps in North Korea.

Health officials to determine what form of plague killed New Mexico man

SANTA FE, N.M. (AP) — State health officials hoped to determine today if a northern New Mexico man who died of plague contracted the highly contagious pneumonic form of the disease.

The unidentified man, whom officials say lived alone in the northern New Mexico community of Vallecitos, died Monday night and was the state's second plague fatality within a two-day period.

"We do not know if this man had the pneumonic form of the disease or not," said Dr. Jonathan Mann, chief of the Communicable Disease Control Division.

The pneumonic form of the disease can be transmitted from person to person. "In the meanwhile, we've identi-

fied...the contacts in the hospital and ambulance service who would have had exposure to the man just before he died," Mann said. "These people are going to be placed on preventive medication and surveillance."

Mann said about 15 people, most of them hospital personnel but also some residents of the community where the man lived, had been placed on preventive medication and would be kept under surveillance.

"There does not appear to be any spread, but we will carefully monitor the situation for the next week," Mann said late Tuesday.

"We do not expect there to be any problem with person to person spread of the disease," Mann said.

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20% off Assorted Green Plants

Special Sale on Dozen & 1/2 Doz. Carnations

Come in to register for free door prizes to be given away Sat. afternoon.

1509 N. BIG SPRING

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NOW! Dial Direct TO PLACE CLASSIFIED Want Ads 682-6222



Chair Specials during our Storewide Sale

Traditional Chippendale wing chair, 2-cushion white on white crevel cover. Reg. \$600.00NOW

\$249.50

Wood framed French styled accent chair by Heritage, pickled pine finish, cane back, beige hoboal velvet cover. Reg. \$739.00NOW

\$279.50

Armless occasional chair, loose pillow back, shirring, upholstered bun feet, pink and blue cotton print cover. Reg. \$449.00NOW

\$299.50

Contemporary lounge chair and ottoman set by Drexel, Cane wrapped metal frame and seat. Reg. \$779.00 setNOW

\$399.50

MANY, MANY OTHERS

DINING CHAIR

Dining room side chair by Heritage, elegant fully upholstered seat and back in white on white flame stitch fabric, fruitwood finish on transitional styled legs.

Reg. 409.00

Now

\$199.50

Knorr FURNITURE

No. 15 Plaza Center Corner of Wadley & Garfield

MANY, MANY OTHERS

Traditional chair by Tomlinson, T-Cushion button tufted back, unusual pleating on sides and back, button flounced skirt. Reg. \$869.00NOW

\$399.50

Country French wing chair by Meyer-Gunter-Martini, carved pickled pine frame, paisley cotton print cover with chocolate brown background. Reg. \$1,086.00NOW

\$419.50

Traditional chair by Tomlinson, fully skirted, button back, genuine ultra suede cover, tan with chocolate brown contrast welt. Reg. \$1,080.00NOW

\$429.50

Wing Chair and ottoman set, traditional styling, Queen Anne leg, button back, genuine raw silk cover. Reg. \$975.00NOW

\$499.50

Reclining wing chair by Schaefer Brothers, traditional styling, Chippendale leg, nailhead trim, flame stitch Cover. Reg. \$1200.00NOW

\$699.50

Man-sized chair and ottoman by Heritage, transitional styling, upholstered feet, genuine glove soft leather cover. Reg. \$2,469.00 setNOW

\$1,749.50

Three way recliner by Barco-lounger, genuine rattan frame in light natural finish, earth tone striped cover. Reg. \$780.00NOW

\$299.50

Contemporary exposed wood chair by Drexel, unusual high sheen red lacquer finish, color coordinated floral cover. Reg. \$699.00NOW

\$349.50

MANY, MANY OTHERS

HERITAGE SERVER

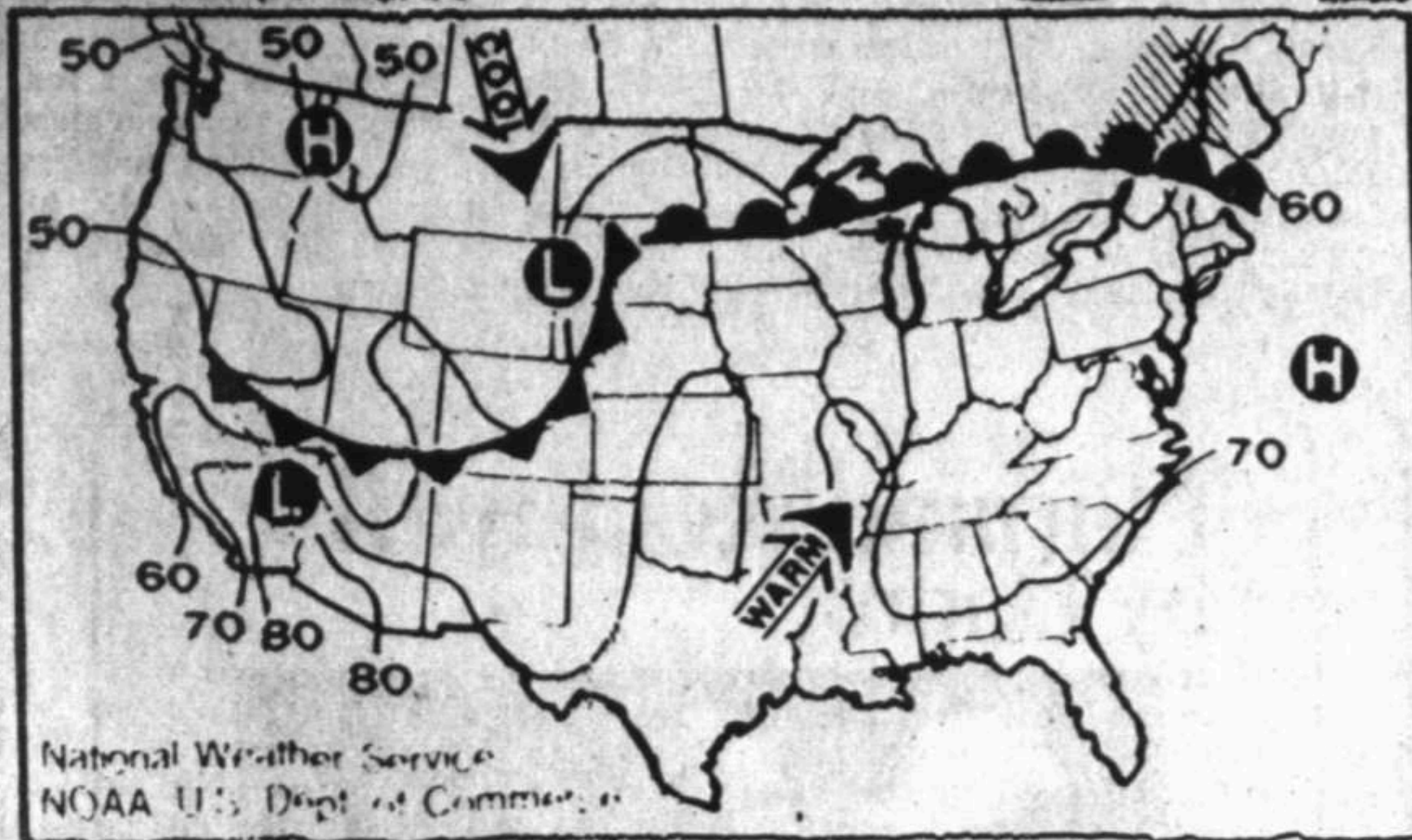
Contemporary styled server by Heritage, casters, mirrored top, cane doors, brass pulls and trim,

Reg. 1019.00

\$499.50

WEATHER SUMMARY

The Forecast For 8a.m. EDT
Thursday, July 15
● Low Temperatures



The National Weather Service forecasts warm, sunny weather for Thursday for most of the nation. Cool weather is expected from the Northwest into the northern Plains.

Midland statistics

WEATHER FORECAST

Partly cloudy tonight with low near 70. Southerly winds 5-10 mph. High Thursday mid-80s. Southerly winds 15-20 mph.

NATIONAL WEATHER SERVICE READINGS

Yesterday's High 81 degrees
Overnight Low 66 degrees
Sunset today 8:56 p.m.
Sunrise tomorrow 6:58 a.m.

Precipitation: .00 inches
Last 24 hours: 3.21 inches
This month to date: 9.49 inches
1982 to date: 9.49 inches

LOCAL TEMPERATURES:

6 a.m.	66	6 p.m.	80
7 a.m.	66	7 p.m.	80
8 a.m.	71	8 p.m.	83
9 a.m.	74	9 p.m.	85
10 a.m.	78	10 p.m.	87
11 a.m.	82	11 p.m.	89
noon	85	Midnight	90
1 p.m.	86	1 a.m.	89
2 p.m.	87	2 a.m.	87
3 p.m.	87	3 a.m.	85
4 p.m.	87	4 a.m.	83
5 p.m.	81	5 a.m.	80
6 a.m.	76	6 a.m.	76

SOUTHWEST TEMPERATURES:

Albany	81	72
Albuquerque	81	72
Denver	81	72
Amarillo	81	72
El Paso	81	72

The weather elsewhere

Albany	84	84	cdy
Albuquerque	100	86	clr
Amarillo	90	66	cdy
Anchorage	63	49	cdy
Asheville	85	67	cdy
Atlanta	94	70	cdy
Atlanta City	90	71	cdy
Austin	85	74	cdy
Baltimore	89	70	cdy
Birmingham	86	63	cdy
Bismarck	90	69	15 cdy
Bismarck	82	58	cdy
Boston	83	55	28 cdy
Boston	92	78	cdy
Brownsville	97	75	cdy
Buffalo	79	54	cdy
Burlington	80	53	cdy
Casper	91	55	18 cdy
Charlottesville	88	78	36 cdy
Charlottesville	85	67	cdy
Charlottesville	86	69	cdy
Cheyenne	81	53	cdy
Chicago	86	66	50 cdy
Cincinnati	85	64	cdy
Cleveland	82	61	cdy
Columbia	87	70	cdy
Columbus	84	66	cdy
Dayton	92	72	cdy
Dayton	84	61	cdy
Denver	81	72	cdy

Some opposition to stockade voiced

(Continued from Page 1A)

make without guards and the threat of death.

But Norton still can envision escape. "They (inmates) got out of the city jail, and they've gotten out of the county jail, and I don't know that barbed wire will keep them from escaping."

"Hell," he reasoned, "they (guards) won't shoot a murderer, so why should they shoot a man charged with hot checks. It doesn't make sense."

The sheriff has said that the selective overflow — bound from the stockade — would be men of a non-violent nature and who are charged with non-violent crimes such as forgery, thievery, driving while intoxicated (DWI) and similar crimes.

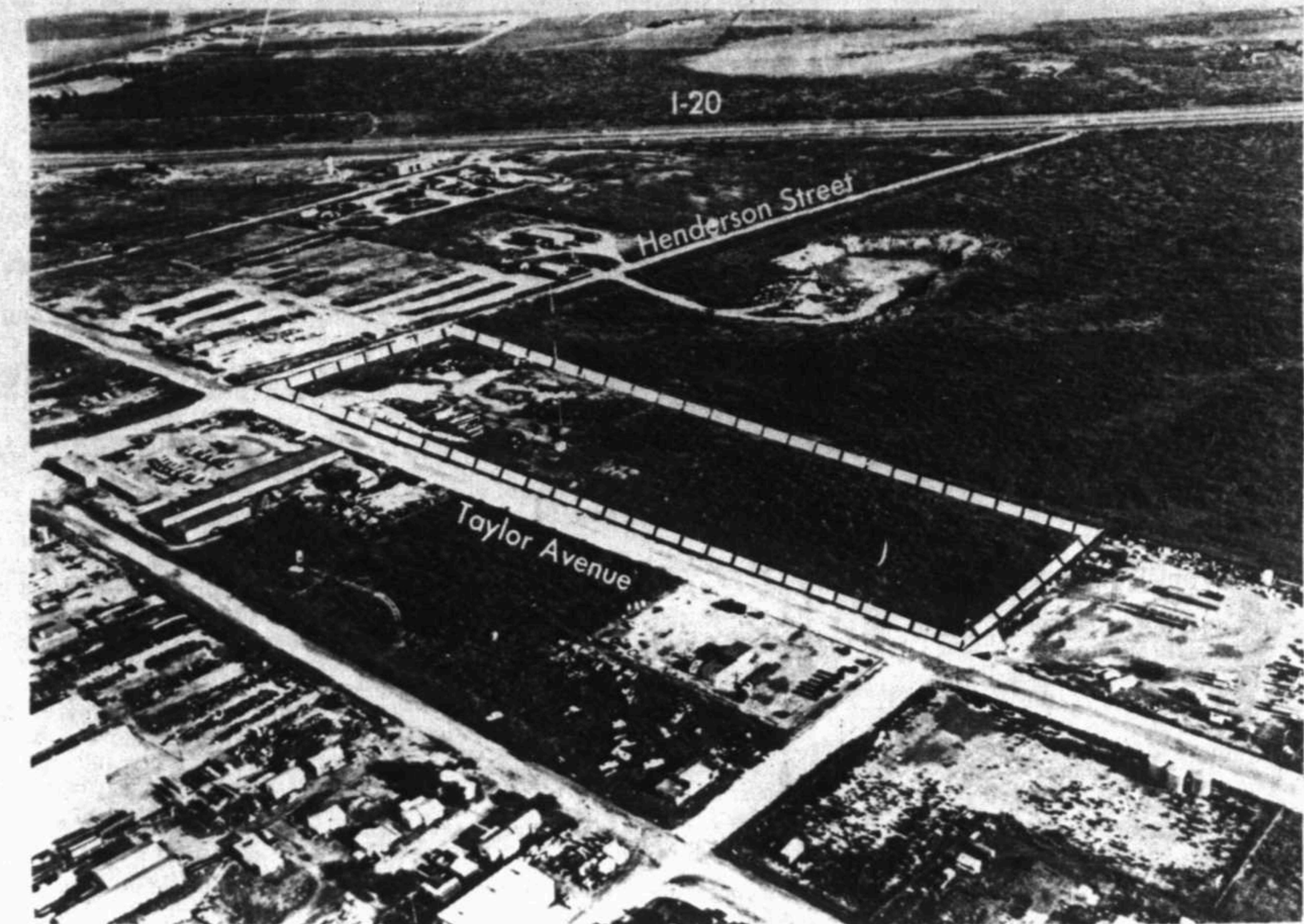
Norton speculated that the city-owned Cole Park area, near Midland's sanitary landfill and sewage treatment plant, might have been a more acceptable location for the stockade. But he alluded to disharmony and lack of a co-operative spirit between the city and county governmental bodies.

"That's city-owned land, and the city's not going to give that to the county. The way the city and the county work together, I don't think it would have ever worked. The best deal would have been over in Odessa," he said referring to the proposed joint Midland-Ector stockade site, since rejected by Ector County, on city of Odessa land but in a remote western part of Midland County.

Norton surmised if the sheriff and commissioners had "proposed this thing" in the relatively affluent and growing residential-business sector in north Midland, the stockade never would be built there.

"Now, it's to hell with the people of Midland. I think it's just like anything else. If they (the powers) want it, they're going to get it. Money takes in Midland."

Norton theorized that the sheriff's support in south Midland will wane due to the stockade issue. "He's hurting himself with the south side of Mid-



This aerial photo shows the site of the proposed Midland County stockade, to be built on 7 1/2 acres at the intersection of Taylor Avenue and Henderson Street.

land."

Too, Norton was critical of the county officials' haste in decision-making. "It's just like everything else they do. They rush into it."

Too, Norton expressed concern about safety of residents in the neighborhood.

"They're a lot of women out here who feel uneasy," he said. "I won't feel as easy about leaving my wife here

(at the shop) as I have before."

ANOTHER BUSINESSMAN not too thrilled about having the stockade site in his neighborhood is Ken Overstreet of Al & Son's Welding.

"We've been fighting it, and can't seem to do much about it," he said. "They (sheriff and commissioners) are going to do what they are going to do."

"We don't like it," said his wife, "but,

you know, the governments are going to do what they want to."

Terry Easley, a heavy-equipment operator for the county, wasn't nearly so unnerved by prospects of a stockade next door to the county barn.

"I don't really care," he said, "as long as I'm not going to be in jail and as long as they don't break in here and try to run our equipment and take over our jobs."

Israeli jets continue mock air raids as Arafat makes offer

By The Associated Press

Israeli jets roared over Beirut today in mock divebombing raids on the Palestine Liberation Organization's retreats, and U.S. and Lebanese mediators tried to break a deadlock on how and where to evacuate the PLO guerrillas.

Palestinian gunners fired anti-aircraft barrages as waves of low-flying warplanes swooped over Yasser Arafat's encircled enclaves in a fresh reminder of the massive Israeli invasion force poised outside west Beirut.

Israel has threatened to storm the guerrilla-held area unless the PLO leaves Lebanon.

But there were no bombing runs reported in the first mock air assaults on the Lebanese capital in a week, and a U.S.-sponsored cease-fire generally

was holding.

The mock raids came a day after PLO and Lebanese sources said Arafat would order his 8,000 fighters cornered in west Beirut to surrender their heavy weapons and evacuate by sea under U.S. 6th Fleet escort if Washington recognizes his guerrilla group.

U.S. agreement to this demand would be a stunning setback for Israel and a triumph for the PLO, which has teetered on military defeat since Israel launched its massive invasion of Lebanon June 6 to crush the guerrillas.

The United States has refused to recognize the PLO until it accepts Israel's right to exist.

Despite the latest cease-fire declared Sunday, the PLO and Israel accused each other of minor violations. The military command in Tel Aviv said six Israeli soldiers were ambushed and

wounded late Tuesday in a hail of bazooka and light arms fire near the town of Aley, nine miles southeast of Beirut.

A PLO communique said guerrillas and their leftist Lebanese allies penetrated Israeli positions Tuesday night, lobbed grenades, killed or wounded 15 Israeli soldiers, wrecked one tank and destroyed an armored troop carrier.

The rightist "Voice of Lebanon" radio station in Christian-controlled east Beirut said Israeli helicopter gunships chased the ambushers into pine woods forests overlooking Aley, but did not mention casualties.

Outside Beirut today at the presidential palace in suburban Baabda, Lebanese Christian President Elias Sarkis and Moslem Prime Minister Shafik Wazzan met with U.S. special envoy Philip C. Habib, who has been attempt-

ing for weeks to arrange a guerrilla evacuation of Lebanon.

State-run radio said today's talks concentrated on ways to break the impasse over mechanics of a PLO evacuation, and finding a country of refuge for the guerrillas. No Arab governments have offered them exile, and all land, air and sea escape routes are sealed off by Israeli armor and gunboats.

Lebanese officials and war correspondents said Israel moved more tanks and troops Tuesday to positions outside the besieged PLO enclaves, bolstering forces estimated at between 35,000 and 40,000 troops, 300 tanks, and 500 armored personnel carriers.

The guerrillas have blended with the estimated 500,000 civilians of west Beirut, and an attack would mean bloody fighting and heavy casualties on all sides.

Publicly, PLO leaders said they would be more open to a political solution if they received U.S. recognition, but stopped short of offering to evacuate.

"We are fighting for that, to force the United States to recognize us," Arafat's political adviser Hani al-Hassan said Tuesday.

"I am sure that if there were direct talks between the PLO and America through Philip Habib, it would be a very important step for the PLO, and the PLO would be ready to be more flexible and rethink a lot of things," he said.

A major problem in the talks has been when to deploy an international peace-keeping force in west Beirut should the guerrillas depart. The PLO wants the force to arrive before its fighters leave to prevent clashes with

the Israelis as the guerrillas abandon their positions.

The United States, which has offered up to 1,000 Marines for the peace-keeping force, wants them to enter west Beirut only after the PLO leaves so they would not become involved in fights.

In Washington, Secretary of State-designate George Shultz said at his Senate confirmation hearings that the Reagan administration is following the policy that has banned negotiations between the PLO and the United States. But he said "representatives of the Palestinian people" should be represented in the Middle East peace process.

The United States and Israel claim the PLO has never explicitly recognized Israel's right to exist.

Trailer park's water supply source of several violations

(Continued from Page 1A)

ment regulations.

The system lacked mechanical chlorination equipment for disinfecting the water supply.

Water wells were not properly enclosed and lacked proper screens and seals.

A map of the distribution system was required, but not submitted.

Plastic pipe was used improperly as well casing where metal pipe was required.

A sanitary easement was suggested to increase the distance between nearby livestock pens and water wells.

Following additional inspections on July 16 and Sept. 28, Barker's reported the situation unchanged.

He said health department officials generally make repeated efforts over extended periods of time in trying to obtain voluntary compliance.

"We're easy to work with. We don't want to take anybody into court," Barker said.

But, unable to get compliance, the health department referred matters to the state attorney general's office on Sept. 30, 1981, according to Ron Catchings, chief of enforcement with the state's division of water hygiene.

In February 1982, a temporary injunction establishing rules for compliance was issued in Midland District Court. Catchings said Lemon failed to comply with the temporary injunction.

Subsequent to Lemon selling the property, assistant attorney general David Preister said he will seek civil penalties against Lemon. Catchings said the state may seek penalties in the range of \$1-2 million.

Some park residents are now buying bottled water for drinking and cooking. Others are complying with the "boil water" warning. Some wonder if they should use tap water at all.

While a few residents complained of suffering stomach cramps after drinking the water, health department officials have not linked the park's water supply to any reported illnesses.

Catchings indicated if water system problems aren't cleared up by the park's new ownership, further legal action may be taken.

Gail Krueger, who manages Midland Mobile Ranch for Patel, said her boss is making efforts to correct past inadequacies in the water system. Ms. Krueger said a chlorinator would be installed perhaps as early as Tuesday night.

Legislators say no quick end to fighting in sight

WASHINGTON (AP) — Congressional leaders say President Reagan's conditions for sending U.S. troops into Lebanon still haven't been met and there is little prospect for a quick political settlement in the war-torn country.

Emerging from a briefing by Reagan and other White House officials Tuesday, Sen. Charles Percy said an agreement to end the Israeli invasion of Lebanon "is not around the corner. Too many factors still have to come together."

House Republican Leader Robert Michel of Illinois suggested the president was not as optimistic about a settlement as he had been. "I guess he was a little more optimistic earlier," Michel said. "It's in a state of limbo."

Percy, R-Ill., expressed fear that pressures are growing on the Israeli Cabinet to order troops into west Beirut to rid the city of Palestinian guerrillas. "I think that would be an utter disaster," Percy added, saying the United States has confirmed that at least 10,000 "noncombatant, innocent civilians" have been killed and that 300 Israeli soldiers have died in Lebanon.

Reagan met with congressional leaders from both parties for 50 minutes in the Cabinet Room.

Rep. Clement Zablocki, D-Wis., chairman of the House Foreign Affairs Committee, and Percy, chairman of the Senate Foreign Relations Committee, said Reagan's offer to send troops to west Beirut does not constitute a final decision.

"There was no notification and no decision made," Zablocki said. "It's far from being finalized as to what action we will take."

White House officials say Reagan has decided in principle to dispatch up to 1,000 Marines to escort Palestinian guerrillas from the besieged city if certain conditions are met, including receipt of a formal request from Lebanon for the troops. No such formal request has been received yet, according to the State Department.

Percy said Reagan is demanding "a security guarantee by every part of the combatant forces there...for the safety and safekeeping of American forces there, who are peacekeeping forces, not combat forces."

Zablocki said Reagan pledged he would withdraw American forces if the safety assurances under which they were dispatched proved invalid.

Reagan stressed that U.S. troops would be used in west Beirut "a matter of a very few days, maximum 30 days," Percy said.

Percy quoted Reagan as saying the Middle East was in a perilous state because of the fighting in Lebanon and the Iran-Iraq war, particularly the threat of an invasion of Iraq by Iranian troops "and what that might do to undercut governments throughout the Persian Gulf."

While no country has agreed to take in the Palestinians, Percy expressed confidence that Syria could be persuaded to do so. He said Syria, which has publicly said it will not open its doors to the Palestinians, "is probably the best possibility. I know of number of doors that are closed tight."

If U.S. troops are sent to Lebanon, Zablocki and Percy said they urged Reagan to report to Congress under a section of the War Powers Act requiring that troops be withdrawn within 60 days unless Congress authorizes a longer stay. The same section empowers Congress to order a withdrawal of forces if they are engaged in combat.

There are concerns in Congress that Reagan might act under a section of the law that does not require the president to submit to congressional review. That law covers conditions where there is little likelihood of hostilities.

Asked how Congress would feel about sending U.S. troops, Michel said, "You are going to have any number of members reluctant to dispatch the Marines into a hostile area where there may be casualties. You just don't go into a situation like that without the prospect of that happening."

House Speaker Thomas P. O'Neill, D-Mass., asked if he would support sending in U.S. troops, said, "We are not in that position yet. There is no agreement by anybody over there and we have not even been asked."

despite wind-shear warnings can, as a precaution, build up greater speed and climb at a shallower angle than normal," the newspaper said.

"An investigator said Tuesday that Flight 759's payload, though not exceeding the legal maximum, was so heavy it might have impeded lift-off in adverse conditions," the newspaper said.

There was no evidence of human error in the control tower, the newspaper also quoted investigators as saying. It quoted Dunbar as saying no trace of alcohol or drugs was found in the bodies of crew members.

NTSB officials have refused to speculate on the cause and refused to reveal contents of cockpit tapes until transcripts are released.

On Monday, investigators discovered the Pan Am cockpit tapes were of such poor quality that FBI specialists had to help enhance them.

The NTSB suggested Tuesday that many cockpit voice recorders in use aboard commercial aircraft should be replaced because they are technologically outdated.

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Warm weather expected to continue

Partly cloudy skies and warm temperatures are expected to continue through Thursday, according to the National Weather Service at Midland Regional Airport.

The temperature is expected to stabilize near 70 tonight and climb into the mid-80s Thursday.

Southerly winds should breeze through 5-10 mph tonight, increasing to 15-20 mph Thursday.

Tuesday's high of 91 was cool compared to the record high of 107 set in 1933, and the overnight low of 66 was 16-degrees warmer than the record low of 50 set in 1936.

Man dies of accident-inflicted injuries

A Midland man has died of injuries suffered last week in a traffic accident near Penwell.

Dario Lugo, 27, of Route 3, Midland, died at 2:35 a.m. today in Odessa's Medical Center Hospital. He suffered head and internal injuries when the 1971 Ford station wagon he was driving blew a rear tire and rolled over three times along Interstate 20 six miles west of Penwell about 1:15 p.m. July 8.

Two passengers in the car were not injured, according to the Department of Public Safety.

Newspaper lists reasons for crash

NEW ORLEANS (AP) — The Pan Am jet crash that killed 154 people probably was caused by a combination of violent winds and an almost capacity load of passengers, baggage and fuel, a New Orleans newspaper reported today.

A National Transportation Board spokesman, Brad Dunbar, said, "We don't comment on that sort of thing," when asked about the copyright story in The Times-Picayune, The States-Item.

The story quoted unidentified federal investigators.

Pan Am Flight 759 crashed Friday afternoon shortly after takeoff from New Orleans International Airport in a torrential rainstorm on a flight from Miami to San Diego, via New Orleans and Las Vegas.

The death toll aboard the plane was 146, including an unborn 7-month-old fetus added Tuesday by the Jefferson Parish coroner. Eight people on the ground died when the Boeing 727-200 slammed into Kenner in suburban New Orleans, destroying or heavily damaging more than a dozen homes in the second-worst U.S. air accident.

The first three lawsuits in the crash were filed Tuesday, asking for a total

Police report stereo equipment theft

In burglary complaints filed with city police during the past 24 hours, stereo equipment and record albums worth a total of \$1,000 were reported taken in the break-in of an apartment at 2900 W. Illinois Avenue Tuesday. Entry was gained by breaking a window.

And Dennis Schmidt of 1404 W. Storey told officers \$550 worth of jewelry was stolen from his residence Tuesday. Entry was gained through an unlocked window.

BIRTHS

MIDLAND MEMORIAL HOSPITAL
July 12, 1982
Mr. and Mrs. Richard Scott Fracasse, 2613 N. Midland Drive No. 1307, a girl.
July 13, 1982
Mr. and Mrs. Monte Wayne Offield, 2701 Kessler St., a girl.

WOMEN'S AND CHILDREN'S HOSPITAL
Odessa
Mr. and Mrs. W.A. Manning, 3101 N. Midland Drive, a girl.

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(USPS 611900)
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HOME DELIVERY
Paid in Advance

Evenings and Sunday	1 Yr. 6 Mos. 1 Mo.	\$48.00 \$24.00 \$4.00
Evenings Only		\$36.00 \$18.00 \$3.25
Sunday Only		\$31.20 \$15.60 \$2.80

MAIL RATES IN TEXAS

1 Yr. 6 Mos. 1 Mo.	\$72.00 \$36.00 \$6.00
Evenings Only	\$54.00 \$27.00 \$4.50
Sunday Only	\$50.50 \$25.25 \$4.25

MAIL RATES OUTSIDE TEXAS

1 Yr. 6 Mos. 1 Mo.	\$75.00 \$37.50 \$6.25
Evenings Only	\$56.25 \$28.12 \$5.75
Sunday Only	\$54.00 \$27.00 \$4.50

Foreign and other rates furnished upon request. All subscription rates payable in advance. All subscription rates revised October 1, 1978.

energy / business

Airline's first year in the air may have been the best one

By DAVID C. SODAMANN
Energy-Business Editor

Dallas-Based Muse Air is celebrating a year in the air this week. To mark the occasion, champagne is being served on all flights. Company officials may soon lift some of that same bubbly in toasts to the "good old days" of the year just past. Because, as Muse heads into its second year of service, it may well be heading into its last.

It is a possibility. As this is written, the Federal Aviation Administration is scheduled to hold a lottery Wednesday to distribute the take off and landing "slots" at airports around the nation once used by the "crashed" Braniff International Corp.

Muse Air is now using old Braniff slots, allocated on an emergency basis,

to serve Midland/Odessa and Tulsa, Okla. Should other airlines win these slots during the FAA lottery, Muse could find itself grounded with only its original Dallas-Houston route intact and millions invested in four new planes just coming off the assembly line (two-thirds of the fleet) that would have nowhere to fly — a situation that could easily bankrupt the small company.

Muse Air recently asked the FAA to exempt the old Braniff slots it now uses from the lottery. In a detailed 26-page letter, 18 reasons why this should be done were presented. As of Tuesday afternoon, the FAA had not responded to the Muse petition.

IN AN INTERVIEW Tuesday at Midland Regional Air Terminal Lamar Muse, a co-founder, chairman and chief

executive officer of the airline commented on the situation.

"As far as I know the lottery will be conducted tomorrow and if the FAA does nothing, as they have done up to this point, then whatever the effective date ... I guess we would have to discontinue service to Midland and Tulsa," Muse said.

Muse said it is likely, if the lottery is conducted as planned, that any one of several other airlines not now serving Midland/Odessa will win the slots Muse uses. Should that happen the winning airline would, in an exchange for useable slots at other airports, transfer the slots that were won to another carrier serving this market.

"They'd turn it back to the Southwest (Airlines Co.) monopoly," Muse said.

Southwest is one of the airlines serving Midland/Odessa, Muse Air's main competition, and the company with the most to gain from Muse Air losses. Ironically, Lamar Muse was once president of Southwest.

MUSE AIR ANNOUNCED several months ago plans to fly a Midland-Dallas-Houston route. Two planes were bought to fly the route. The FAA backed the purchases with a government-guaranteed loan for \$41 million.

However, enforcing rules established as a result of last summer's air traffic controller strike, the FAA later forbade Muse Air to fly to Midland with the planes the FAA itself had helped buy.

When Braniff "went belly up," the

FAA gave Muse Air some old Braniff slots and the OK to use them. Muse Air flew into Midland the first time May 16, a week later than it had intended to.

At that time Lamar Muse told the Reporter-Telegram, "If we start flying one day, we're in there for good. Once you get your nose under the tent — I'm not going to worry about it anymore."

Muse didn't sound quite so self-assured during Tuesday's interview.

"(The future of Muse Air) depends entirely on the FAA," Muse said. "We're in the hands of Mr. Lynn Helms (headman at the FAA). Whatever he wants done to us is apparently what'll happen."

"WE DON'T HAVE any say. He tells us where we fly, when we fly, how often we fly — a government bureaucracy. We don't really have a lot to say about it anymore."

"(The airline industry) is not a deregulated industry anymore. It is more regulated than it has ever been."

"We're supposed to take two airplanes (that have been purchased) July 20, ... and take two more July 31, but we don't have anyplace to fly 'em. They're just going to sit up against the fence; unless the FAA shakes loose some additional slots."

"Of course, they're talking about going the other way," Muse said. "They're talking about taking away slots we now have through the lottery."

Muse Air toasts first anniversary of quality

Muse Air is celebrating this week its first anniversary as a working airline. The business "took off" July 15, 1981, with the launching of a pair of "Super 80" craft, which plied the Dallas-Houston route.

The company is toasting its first year in the air with a "champagne promotion." Complimentary bottles are proffered passengers, and Lamar and Mike Muse, a father-son team who head the firm, are visiting the staff at the stations served by the airline, presenting champagne and compliments to the employees.

While delivering to the Midland crew some wine whose time had come, Lamar Muse commented on his company's first year.

"The thing I've been pleased with the most is the extremely high quality of the service our employees provide the public, and the recognition of that quality by the traveling public — and the very many loyal customers that we have. People ride Muse Air one time and you've got 'em hooked, they don't ever want to ride anybody but Muse Air. There's just no comparison in the level of the quality of service provided. And that's what I'm most pleased with. That's what we endeavor to do and I think we're successful," Muse said.

Muse Air earned a reputation for quality service as a return on an investment in quiet, comfortably outfitted, expensive planes; and by paying careful attention to the quality of the people working for the company.

In addition to earning a good reputation, Muse Air is also earning a profit. "In June, for the first time we made an operating profit — with net loss because of interest — but if things keep going in July like they are right now we will have a net profit in July, which will be our twelfth month of operation," Muse said.

"I very vividly remember it was our twenty-first month of operation at Southwest (Airlines), a company Muse also started and once headed. So, we've done it in nearly half the time that it took to do it back in '71 at Southwest."

Muse Air has faced stiff competition, but appears to be holding its own. "In the Dallas-Houston market," Muse said, "we carry as many as Southwest does, and we have 13 flights and they have 30." Muse said, "So it pretty well proves Muse Air — if half of the total market will come on our 13 flights, and wait for ours to operate, instead of flying one of the many flights Southwest has in the market — that's pretty good evidence that we're providing a pretty good product."

Muse talks tough when referring to Southwest Airlines. There is a reason, he said. "It's a damn good airline. I'm tough on 'em because they're my competition and I've got to beat 'em to stay alive."

"I never started Muse Air until I had figured out a way I could offer a far superior product to what Southwest offered, or could offer."

Muse said he had no interest in what became his airline as long as his son, Mike, founder of the company, was talking of offering a service that was no better than Southwest's.

"When the Super 80 (airplane) came along," Muse said, "and I figured out a way that we could actually finance something like that, that made a far superior product possible, then I got interested and we did it."

When Muse founded Southwest Airlines, he styled it to suit the times. The company retains many of the characteristics Muse built into it. The new Muse Air is styled for the '80s, Muse said, because tastes have changed; customers are making new demands.

"The culture of this country has changed very substantially. Ten years ago, in 1971, the smokers put up with the non-smokers, and hot pants, jangle-jangle and all that was in. That was the thing, everybody liked that."

"But in the 10 years since then it's changed from the smokers putting up with the non-smokers, to the non-smokers putting up with the few remaining smokers. And people seem to appreciate quality, a good product. They complain more about the bad product. They want quality. They'll pay for quality. That's what I envisioned and that's what we're trying to offer and I think we're being damned successful."

"They don't have to pay more, same price, just get a better product. That's the name of the game."

Bank crash hits S&Ls

By SALLY JACOBSEN
Associated Press Writer

WASHINGTON (AP) — Savings and loan associations and credit unions routinely put more money into banks than is covered by federal insurance, executives of those institutions say.

The danger of this practice became apparent last week when the Penn Square Bank in Oklahoma collapsed, catching about 170 credit unions and savings and loans with more than \$100 million above the insured limit of \$100,000 per depositor.

S&L and credit union executives interviewed said they place large blocks of money in institutions above the insurance cap because the money earns more interest at those levels and because it's more convenient.

But before they do, they say, the finances of the banks and S&Ls with which they do business are closely examined.

"As an institutional philosophy, we are extremely cautious about where we place any of our money," said Rollin Barnard, president of Denver's Midland Federal Savings and Loan Association.

An executive of an Illinois S&L, who asked not to be identified, said, "If you deal with large and fairly safe banks, the risks (of loss) are very minimal."

Robert Von der Ohe, a vice president of the Credit Union National Association, contended that S&Ls and credit unions had been "lulled into feeling" their money was protected by the insurance funds "even if the institution failed."

Because of that, he said, investors have "tended to pay less attention than was warranted to underlying conditions of institutions."

The Federal Deposit Insurance Corp., which insures deposits in banks, has in most previous cases been able to merge a weak institution into a stronger one, with all accounts shifting to the new institution.

In the case of a payoff, such as occurred at the Penn Square Bank, the insurance corporation is barred from paying back deposits in excess of the insured limit, according to insurance fund spokesman Alan Whitney. The uninsured deposits become a claim against the bank's receivership. There is no way yet of knowing, Whitney said, how much uninsured depositors in Penn Square will get back.

Despite the potential risks, it is not unusual for savings and loans and credit unions to invest money, often in certificates of deposit, above the \$100,000 limit.

"It's not uncommon for those major depository institutions when they're dealing with large blocks of money,"

said the executive of an S&L in Florida.

"We're conscious of the fact we're gambling, but we're gambling against a structure we have confidence in," said Barnard of the Denver institution.

Barnard, like others, said his institution closely examines a bank's financial health before investing. His savings and loan only puts money into four to eight banks.

Before investing, the executives said, they check a bank's overall strength and viability. They look at its net worth, earnings, management philosophy and investment pattern. They tend to steer clear of a bank making a large number of loans to developing countries which they view as potentially risky.

The executive of a large Illinois S&L said it would be impractical to open accounts in numerous banks in order to limit an association's investments in an individual bank to \$100,000.

Other executives said the lure of higher rates of interest — often several points above the going rate — was a key reason for investing in excess of the insurance.

The Federal Home Loan Bank Board, which regulates savings and loans, restricts the amount of money that S&Ls can put in any one bank. It also prohibits federally chartered S&Ls from investing more than \$100,000 in another S&L.

Credit unions are not restricted by the National Credit Union Administration in the amount they can invest in a bank or S&L.

The Federal Deposit Insurance Corp. is one of three insurance pools backing up deposits in banks, savings and loans and credit unions. The Federal Savings and Loan Insurance Corp. guarantees deposits in savings and loans, and the National Credit Union Share Insurance Fund, in credit unions. All three insurance funds provide insurance up to \$100,000 per individual depositor.

The collapse of the Penn Square Bank will mark the largest deposit payoff in the history of the Federal Deposit Insurance Corp. The bank had 28,000 accounts and total deposits of \$465 million, insurance corporation officials have said. About \$190 million of those deposits were uninsured.

All insured deposits were transferred to the Deposit Insurance National Bank, set up by the deposit insurance corporation after Penn Square was shut down. The uninsured deposits will become a claim against the bank receivership.

Credit union officials have said an estimated 150 credit unions had about \$106.3 million invested in the Oklahoma City bank above the insurance limits.

Oil thieves sentenced

LONGVIEW (AP) — A Gregg County district judge has sentenced three people convicted of conspiring to steal oil from an East Texas oil field to five-year prison terms and fined them \$10,000 each.

The trio are W.S. "Bull" Barber, 63, and his son, B.S. "Buddy" Barber, both of Kilgore, and Jean Brown, 63, of Sapulpa, Okla. They were sentenced Tuesday by Judge Marcus Vasucu.

The three were convicted earlier this month of engaging in organized crime in connection with the theft of oil from the East Texas Oil Field near Longview.

Before the sentencing, Vasucu heard three hours of character and medical testimony from physicians who said the defendants were in poor health.

Strike talks break down

LONDON (AP) — Talks to end Britain's crippling 11-day-old train strike collapsed early today, increasing prospects that state-run British Rail will shut down and fire striking train engineers unless they return to work.

"It doesn't look too good at the moment," said Ray Buckton, general secretary of the Associated Society of Locomotive Engineers and Firemen (ASLEF), which called the strike July 4 to protest new flexible work schedules.

Newspapers said the board will probably sack the strikers and close down the entire 11,000-mile network in bid to force the engineers' union to call off the walkout. But Cliff Rose, the board's industrial relations chief, refused to comment on these reports.

The talks between the board and union were set up Tuesday by mediators of the government's Advisory, Conciliation and Arbitration Service. They broke down at 3 a.m. (10 p.m. EDT Tuesday).

"The talks have got nowhere," Rose told reporters afterward. "ASLEF put forward some proposals which were unacceptable to the board."

The board took its decision on its next move on Tuesday before the talks began but delayed announcing what it decided in order to "take account of any result" from the new mediation effort, a spokesman said.

If British Rail decides to fire the strikers, suffering London commuters face even more chaos. The 2,000 union members who work the London subway threatened Tuesday to join the walkout if their colleagues on the trains are dismissed. The union has 24,000 members.

Rebel train engineers who defied the union and worked last week enabled British Rail to run about 10 percent of its normal services. The network normally operates 15,500 passenger trains

and 1,500 freight trains on workdays. British Rail hoped many more engineers would join the revolt, but the union intensified picketing at train depots and stations, discouraging strikebreakers and dashing the board's hopes for a mass return to work.

In revised figures, British Rail said 850 engineers reported for work Tuesday and ran 1,704 passenger trains and 114 freight trains.

The strike was supported Tuesday by Michael Foot, leader of the Labor Party, the main opposition group in the House of Commons.

Prime Minister Margaret Thatcher angrily called him "the striker's friend" but rejected his call for her Conservative government to step in directly in a bid to solve the dispute.

Britain's mediation service was established by Parliament to arbitrate in industrial disputes, but acts independently of the government.

At their crisis meeting Tuesday, British Rail chairman Sir Peter Parker and his board members considered the option of a shutdown and layoffs, firing the strikers or continuing limited service in hopes of luring more engineers to work.

Layoffs would pose legal complications because contracts provide a guaranteed week's pay to all railwaymen who make themselves available for duty.

Financially strapped British Rail says the strike is making it lose \$14.7 million a day. The network says it must have flexible work schedules of seven-hour and nine-hour shifts to save money and increase efficiency.

The union men, who have worked eight-hour shifts since 1919, say flexible working will lead to layoffs.

British Rail and its hotel and other subsidiaries have a total workforce of 225,000.

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Today's opening stock market report

New York Exchange

NEW YORK (AP) — Today's selected national prices for New York Exchange issues:

Table with columns: Bid, Ask, High, Low, Last, Chg. Lists various stocks like ACF, Aetna, Alcoa, etc.

Additional listings

Table listing various companies and their stock prices, including Baker International, Cameron Iron Works, etc.

Over the Counter

Quotations from the NASD are representative interdealer prices as of approximately 11 a.m. Interdealer markups change through the day. Prices do not include retail markups, markdown or commission.

Table listing over-the-counter stocks like Amerex, American Quarter, etc.

MUTUAL FUNDS

Table listing various mutual funds such as Fidelity Group, American Funds, etc.

Stock market loses

NEW YORK (AP) — Stock prices receded after a middley rally and closed slightly lower Tuesday but analysts predicted it was only a momentary stall of a rally that began last week.

The Dow Jones average of 30 industrial stocks fell 0.67 points to 824.20, after starting the session down almost four and then gaining almost that much back on news that International Business Corp's second quarter earnings rose 24 percent.

But then prices slipped and at the close losses outnumbered gainers by a margin of 7-to-6.

Big Borden volume was 66.17 million shares, down from 74.69 million shares Monday.

The Dow Jones average ranged from a day low of 8.90 to a high of 3.71 after IBM reported second quarter earnings of \$1.68 a share, up 24 percent from the second quarter of 1981's \$1.37, and higher than analysts expected.

"The market's always responsive to spot news," said Robert Stovall, senior vice president with Dean Witter Reynolds Inc. "It ended up not that bad a day." And he said he saw continued momentum toward a rally resumption.

Michael Metz, technical analyst with Oppenheimer & Co. Inc. agreed. "I think the rally is intact," he said, and will resume "over the next few days."

The Dow has risen more than 25 points since last week, 10.75 points on Monday.

Stovall said he was encouraged that volume was fairly high and that several banks, including Chemical Bank, lowered their broker loan rates Tuesday to 14.5 percent from 15.5 percent even though a new report indicated the continued presence of a recession.

A report on U.S. retail sales showed they were about flat — down 1.5 percent from May — in the Commerce Department said.

Standard & Poor's index of 400 industrial stocks rose 0.01 to 1252.52, and S&P's 500-stock composite index fell 0.12 to 109.45.

IBM closed at 64 1/4, up 1. Exxon was unchanged at 26 1/4. Many oil stocks were down on reports of falling energy prices. Getty was down 3/4 at 46 1/4; Mobil was down 1/2 at 21 1/4.

Seafirst was down 2 1/4 to 14 1/4 as it said it would continue to monitor its loan losses in connection with Penn Square Bank of Oklahoma City, declared insolvent last week.

Warner Communications closed down 2 1/4 after declaring second quarter earnings of \$1.05 a share, up from 66 cents.

The New York Stock Exchange's composite index of all its listed stocks was down 0.06 at 62.90.

On the American Stock Exchange, the market value index dropped 0.96 to 248.55. The NASDAQ composite index for the over-the-counter market gained 0.50 to 169.35.

Q. I borrowed the maximum loan value of \$9,000 on my \$25,000 whole life insurance policy and put the \$9,000 in a money market fund. There, of course, it is earning much, much more than it would in the insurance policy.

Because the money market fund is a joint account, in my name and my wife's name, I worry that she will lose in the event of my death. I have a notion to make out a check in the amount of the entire balance in the money fund and just sit on it. Then, should I become seriously ill, the check could be cashed while I'm still breathing. Is this a reasonable plan?

A. It sounds almost Byzantine. It's certainly unnecessary. Because of the 1981 federal tax law, one spouse can now leave to the other everything he or she owned, free of federal tax. When you leave this vale of tears, you're wife won't "lose" anything except a thoughtful husband and your earning power.

You made a smart move by borrowing against that whole life policy. While the money is in the money market fund, it's earning much more than it would in the painfully low rate of a whole life policy.

Anyone who has a whole life policy and who doesn't take out a loan, in order to put the money borrowed to work at a higher yield, perpetuates a financial mistake.

Q. I'm 39 and have a wife and two children. I have a \$25,000 whole life insurance policy and a \$25,000 term life insurance policy. I also have a \$25,000 term policy at work. My insurance agent wants me to convert some of my \$100,000 term to whole life, to keep the premium payments down. Would this be a wise thing to do?

A. Not in my book. Here we have the old argument of what's better, term or whole life — also called "ordinary" or "permanent" life. I always come down on the side of term.

Term insurance is straight protection for the beneficiary. It has neither cash surrender or loan value. As you grow older, the premiums increase.

Whole life is a combination of protection and savings. You can get your hands on the savings part only by borrowing or surrendering the policy. Premium costs are based on your age at the time you take out the policy and stay level after that.

But whole life is much more expensive than term. At your age the annual premium on a \$100,000 whole life policy would be higher than the premium on a \$100,000 term policy.

You will be better off by staying with term and putting the money you will save by not buying whole life into something such as saving certificates or a money market mutual fund, where it will grow much faster than it would as the savings portion of a whole life policy.

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Q. I have a paid-up whole life insurance policy with a death benefit of \$1,686 and a cash surrender value of \$1,336. Should I cash the policy and put the \$1,336 in a 30-month savings certificate or whatever? I am male, 72, retired and need money matter advice.

A. As I write this, you can get interest up to 14.7 percent on 30-month savings certificates. At that interest rate, the \$1,336 would pass that policy's death benefit in less than two and a half years.

The average life expectancy of 72-year-old American males is now about 12 years. Assuming you are in good health, you should come out ahead by cashing the policy and putting the money in a 30-month certificate. And, if you need the money, you should cash the policy — no matter what your health happens to be.

Doyle welcomes written questions, but he will be able to provide answers only through his column. Address questions to Bill Doyle, King Features, c/o The Reporter-Telegram, Midland, Texas 79702.

INVESTOR'S GUIDE

Borrowing on policy, investing wise move

By BILL DOYLE

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Table listing various stocks like American Republics, American Savings, etc.

Table listing various stocks like American States, American Union, etc.

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